

MEMORANDUM OF AGREEMENT

BETWEEN AND AMONG THE

SCHOOL DISTRICT OF THE CITY OF HIGHLAND PARK
(a Michigan public school district and body corporate)

AND THE

SCHOOL DISTRICT OF THE CITY OF DETROIT
(a Michigan public school district and body corporate)

AND THE

**EMERGENCY MANAGER FOR
THE SCHOOL DISTRICT OF THE CITY OF HIGHLAND PARK**
(a Michigan public official)

AND THE

**EMERGENCY MANAGER FOR
THE SCHOOL DISTRICT OF THE CITY OF DETROIT**
(a Michigan public official)

RECITALS

The following recitals are made regarding this Memorandum of Agreement (“Agreement”):

The People of the State of Michigan have required through Section 2 of Article VIII of the State Constitution of 1963 that the Michigan Legislature maintain and support a system of free public elementary and secondary schools as defined by law. Consistent with this constitutional mandate, the School District of the City of Highland Park and the School District of the City of Detroit were established under The Revised School Code, 1976 PA 451, MCL 380.1 to 380.1853, and emergency managers for each district were appointed under the Local Government and School District Fiscal Accountability Act, 2011 PA 4, MCL 141.1501 to 141.1531.

Through Section 28 of Article VII of the State Constitution of 1963 the People of the State of Michigan have required the Michigan Legislature to authorize two or more districts to, among other things: (1) enter into contracts, including with the State, for the joint administration of functions or powers; (2) share costs and responsibilities; (3) transfer functions or responsibilities; (4) cooperate; and (5) lend their credit in connection with any publicly owned undertaking. The Michigan Legislature has implemented Section 28 of Article VII of the State Constitution of 1963 by enacting, among other laws, Section 11a of The Revised School Code, 1976 PA 451, MCL 380.11a, which authorizes a school district to, among other things, enter into agreements or cooperative arrangements with other entities, public or private, or join organizations as part of performing the functions of the school district. Emergency managers for a school district are authorized under Section 19 of the Local Government and School District Fiscal Accountability Act, 2011 PA 4, MCL 141.1519, to enter into agreements with other school districts or public entities for the provision of services, the joint exercise of powers, or the transfer of functions and responsibilities, and to enter into 1 or more agreements with other school districts or public entities for the consolidation of services.

Additionally, under Section 22h of The State School Aid Act of 1979, 1979 PA 94, MCL 388.1622h, the Michigan Legislature has recognized the authority of the School District of the City of Highland Park as a distressed district to enter into a memorandum of agreement transferring the functions of managing the School District of the City of Highland Park to another school district and for that school district to provide services as a managing district to the School District of the City of Highland Park.

Relying upon this authority, the School District of the City of Highland Park, through its emergency manager, seeks to transfer certain functions and responsibilities of the School District of the City of Highland Park to the School District of the City of Detroit, through its emergency manager. The School District of the City of Detroit, through its emergency manager, seeks to accept certain functions and responsibilities of the School District of the City of Highland Park. Both school districts, through their emergency managers, seek to enter into an agreement and cooperate for the School District of the City of Detroit to provide certain services as a managing district to the School District of the City of Highland Park, as provided in this memorandum of agreement.

Accordingly, the School District of the City of Highland Park and the School District of the City of Detroit, the Emergency Manager for the School District of the City of Highland Park, and the Emergency Manager for the School District of the City of Detroit agree to the following terms and conditions:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. As used in Agreement:

- (a). "Agreement" means this memorandum of agreement for transfer of certain functions and responsibilities and provision of certain services entered into between and among HPPS, DPS, the HPPS Emergency Manager and the DPS Emergency Manager.
- (b). "Aid Act" means The State School Aid Act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896.
- (c). "Code" means The Revised School Code, 1976 PA 451, MCL 380.1 to 380.1583.
- (d). "Detroit Public School District" or "DPS" means the School District of the City of Detroit, a public school district and body corporate authorized to operate within the City of Detroit, County of Wayne, State of Michigan, under The Revised School Code, 1976 PA 451, MCL 380.1 to 380.1853, and to function as a managing district under Section 22h of the Aid Act.
- (e). "DPS Emergency Manager" means the individual appointed by the Governor as the emergency manager for the Detroit Public School District under Section 15 of the Emergency Act, or any successor statute.
- (f). "Emergency Act" means The Local Government and School District Fiscal Accountability Act, 2011 PA 4, MCL 141.1501 to 141.1531, or any successor statute.
- (g). "Effective Date" means the effective date of this Agreement under Section 3.01.
- (h). "Highland Park School District" or "HPPS" means the School District of the City of Highland Park, a public school district and body corporate authorized to operate within the City of Highland Park, County of Wayne, State of Michigan, under The Revised School Code, 1976 PA 451, MCL 380.1 to 380.1853, and qualified as a distressed district under Section 22h of the Aid Act.
- (i). "HPPS Emergency Manager" means the person appointed by the Governor as the emergency manager for the Highland Park School District under Section 15 of the Emergency Act, or any successor statute.
- (j). "Party" means DPS, the DPS Emergency Manager, HPPS, and the HPPS Emergency Manager.

(k). "Person" means an individual, authority, corporation, limited liability company, partnership, limited partnership, firm, organization, association, joint venture, trust, governmental entity, public agency, or other legal entity.

(l). "Plan" means a financial and operating plan for HPPS adopted by the HPPS Emergency Manager under the Emergency Act, including any academic and educational plan.

(k). "State" means the State of Michigan.

Section 1.02. Captions and Headings. The captions, headings, and titles in this Agreement are intended as a convenience and not intended to have any substantive meaning or be interpreted as part of this Agreement.

Section 1.03. Plural Terms. A term or phrase in this Agreement importing the singular number only may extend to and embrace the plural number and every term or phrase importing the plural number may be applied and limited to the singular number.

ARTICLE II

TRANSFER OF FUNCTIONS AND RESPONSIBILITIES AND PROVISION OF SERVICES

Section 2.01. Description of Transfers. The description or enumeration of a power, duty, right, obligation, function, or responsibility in this Agreement shall not be construed as a limitation upon the power, duty, right, obligation, function, or responsibility. Except as otherwise provided in this Article and as otherwise determined by the Parties, the powers, duties, rights, obligations, functions, and responsibilities of HPPS for the management and operation of public schools in HPPS and the provision of educational services to students enrolled in HPPS are transferred from HPPS to DPS. The scope of powers, duties, rights, obligations, functions, and responsibilities transferred from HPPS to DPS under this Agreement include a power, duty, right, obligation, function, or responsibility of HPPS under the Code or other laws, including a power, duty, right, obligation, function, or responsibility vested in HPPS after the Effective Date. DPS agrees to provide to HPPS services related to the management of public schools in HPPS and the provision of educational services to students enrolled in HPPS consistent with this Agreement and to function as a managing district for HPPS as authorized under Section 22h of the Aid Act. Except as otherwise provided in this Article and as determined by the Parties, the powers, duties, rights, obligations, functions, and responsibilities transferred to DPS and the services to be performed by DPS under this section include, without limitation, services identified in Exhibit A to this Agreement.

Section 2.02. Description of Retained Functions and Responsibilities. Except as otherwise provided in this Article, the HPPS Emergency Manager shall retain all the powers, duties, rights, obligations, functions, and responsibilities vested exclusively in the HPPS Emergency Manager under the Emergency Act. If a power, duty, right, obligation, function, or responsibility is granted only under the Emergency Act, the power, duty, right, obligation, or function shall be retained by the HPPS Emergency Manager and not be transferred to, or performed by, DPS. The HPPS Emergency Manager shall retain all powers, duties, rights,

functions, or responsibilities of HPPS as an authorizer of a public school academy or fiscal agent for a public school academy. The HPPS Emergency Manager also shall retain any functions and responsibilities vested in the HPPS Emergency Manager or HPPS under Section 1211 of the Code. DPS shall assist the HPPS Emergency Manager in performing functions retained by the HPPS Emergency Manager under this section as requested by the HPPS Emergency Manager. DPS also may recommend that the HPPS Emergency Manager issue orders necessary for the efficient and effective administration of this Agreement. The powers, duties, rights, obligations, functions, and responsibilities vested exclusively in the HPPS Emergency Manager under this section include, without limitation, all of the following:

(a). Broad powers of the HPPS Emergency Manager in receivership to rectify the financial emergency and to assure the fiscal accountability of HPPS and capacity of HPPS to provide or cause to be provided necessary governmental services essential to the public health, safety, and welfare.

(b). The authority of the HPPS Emergency Manager to appoint additional staff and secure professional assistance as the HPPS Emergency Manager considers necessary.

(c). The obligation of the HPPS Emergency Manager to make reports required under the Emergency Act.

(d). The authority of the HPPS Emergency Manager under Section 17 of the Emergency Act to issue and enforce the orders the HPPS Emergency Manager considers necessary to accomplish the purposes of the Emergency Act.

(e). The requirement that the HPPS Emergency Manager develop, regularly reexamine, and hold any public informational meetings on a Plan under Section 18 of the Emergency Act, and the authority to amend the Plan.

(f). Establishment and implementation of staffing levels for HPPS under Section 19 of the Emergency Act.

(g). Rejecting, modifying, or terminating 1 or more terms and conditions of an existing contract of HPPS under Section 19 of the Emergency Act.

(h). Rejecting, modifying, or terminating 1 or more terms and conditions of an existing collective bargaining agreement with a group of 2 or more HPPS employees as provided under Section 19 of the Emergency Act.

(i). Acting as the sole agent of HPPS in collective bargaining with employees or representatives and approve any contract or agreement under Section 19 of the Emergency Act.

(j). Action the HPPS Emergency Manager is authorized to take under Section 19(m) to 19(dd) and Section 19(ee) to 19(ff) of the Emergency Act. DPS shall provide assistance to the HPPS Emergency Manager when taking action under the provisions of the Emergency Act as requested by the HPPS Emergency Manager.

(k). Any restoration, in whole or in part, of the salary, wages, other compensation, or benefits of the chief administrative officer and members of the governing body of HPPS during the pendency of the receivership of the Emergency Act.

(l). Selling, assigning, or transferring the assets of HPPS to meet past or current obligations as provided under Section 20(d) of the Emergency Act.

(m). Approving or disapproving of the issuance of obligations of the HPPS under Section 20(e) of the Emergency Act.

(n). Referral of matters to the attorney general and the local prosecuting attorney for investigation under Section 21 of the Emergency Act.

(o). Reporting required under Section 22 of the Emergency Act. DPS shall assist the HPPS Emergency Manager in preparing reports as requested by the HPPS Emergency Manager.

(p). Taking authorized actions or making declarations under Section 23 to 25 of the Emergency Act.

(q). Issuance of subpoenas, administration of oaths, and bringing of actions in circuit court under Section 26 of the Emergency Act.

Section 2.03. Employees. Employees of HPPS are not transferred to DPS under this Agreement and any HPPS employees retained by the HPPS Emergency Manager after the Effective Date shall remain employees of HPPS. An employee of HPPS shall be an employee of HPPS for all purposes and not an employee of DPS for any purpose. An employee of DPS providing services to HPPS under this Agreement shall be an employee of DPS for all purposes and not an employee of HPPS for any purpose. Except as otherwise provided in this Article and as determined by the Parties, DPS shall support personnel-related functions on behalf of HPPS as the entity responsible for the operation and management of public schools in HPPS under this Agreement and assure payment for HPPS personnel as necessary for the education of HPPS pupils. DPS shall not perform any public employer functions for HPPS employees under 1947 PA 336, MCL 423.201 to 423.217, or other applicable law. The HPPS Emergency Manager shall retain and exercise the functions or responsibilities as the public employer of the employees of HPPS and as the Emergency Manager for HPPS under 1947 PA 336, MCL 423.201 to 423.217, and other applicable law. Any instructional staff educating pupils of HPPS must be employed by HPPS. Any DPS personnel assigned by DPS to perform functions under this Agreement for HPPS shall be fully certified, licensed, approved, and otherwise qualified to perform the functions assigned in compliance with the Code and other applicable law relating to work performed under this Agreement. DPS agrees that it will not furnish any personnel to HPPS who would be ineligible for employment by HPPS if the personnel were instead employed directly by HPPS under the Code or applicable law. To the extent that DPS may subcontract a portion or all of a service DPS agrees to provide to HPPS under this Agreement, DPS represents that it will include in any subcontracted services agreement a provision identifying the employer of any person providing services under a subcontracted services agreement or, in the absence of an employer and in the case of an independent contractor, to expressly provide that the service

provider is an independent contractor, and is not intended to be, and shall not be regarded as, an employee of HPPS.

Section 2.04. Employee, Subcontractor, and Agent Claims. HPPS shall be solely responsible for answering, defending, or resolving any and all claims arising from the assignment and performance of HPPS employees or agents to implement this Agreement. Similarly, DPS shall be solely responsible for answering, defending, or resolving any and all claims arising from the assignment and performance of DPS employees or agents to implement this Agreement. The claims shall include, without limitation: proceedings before the Michigan Employment Relations Commission or the National Labor Relations Board; proceedings for unemployment compensation benefits; claims for workers' compensation disability benefits; claims for unlawful discrimination brought before any state or federal agency or court; claims of grievances for breach of contract; and any other claims arising from or attributable to the performance of services by employees or agents of the respective Parties in connection with this Agreement. All costs, including, but not limited to, attorney fees, incurred in defense of matters described in this section, and any resulting judgments, shall be the sole and exclusive responsibility of the respective Party.

Section 2.05. Compliance with HPPS Policies. DPS agrees that the individuals assigned to HPPS under this Agreement will abide by any policy of HPPS adopted before the Effective Date until the policy is altered or amended by HPPS or the HPPS Emergency Manager after the Effective Date, including, but not limited to, policies relating to any of the following:

- (a). Corporal punishment or physical contact with students.
- (b). Non-discrimination.
- (c). Child abuse and neglect reporting.
- (d). Sexual harassment.
- (e). Bullying.
- (f). Confidentiality of student records and student records information.
- (g). Blood-borne pathogen exposure controls.
- (h). Administration of pupil medication.
- (i). Communicable diseases.
- (j). Alcohol or controlled substance possession and use.
- (k). Copyright.
- (l). Emergency and security procedures and protocols.

Section 2.06. Professional Standards. Individuals assigned by DPS to HPPS under this Agreement shall adhere to professional standards and will perform services under this Agreement in a manner consistent with generally accepted proficiency and competency for the type and nature of services provided. DPS represents that it has secured or will secure the necessary licenses, approvals, permits, and regulatory authorizations to provide services under this Agreement.

Section 2.07. Financial and Operating Plan. DPS shall perform certain functions and responsibilities of HPPS and provide certain services to HPPS under this Agreement in a manner consistent with any Plan. DPS shall assist the HPPS Emergency Manager in developing and implementing a Plan under the Emergency Act and in otherwise complying with the Emergency Act. DPS may recommend to the HPPS Emergency Manager at any time amendments to the Plan for HPPS that DPS considers necessary for the effective and efficient implementation of this Agreement.

Section 2.08. Transfer of Functions and Responsibilities. This Agreement is, in part, a transfer of functions and responsibilities from HPPS to DPS authorized under Section 19(1)(r) and Section 19(1)(y) of the Emergency Act. This Agreement is not a contract under Section 2 of 1967 (Ex Sess) PA 8, MCL 124.532, but is an agreement relating to functions and services and providing for a transfer of functions or responsibilities at the sole discretion of a public employer under Section 15(11) of 1947 PA 336, MCL 423.215(11). In the event the transfer of functions under the Emergency Act provided in this Agreement is no longer authorized or the Emergency Act is repealed or otherwise not in effect, this Agreement shall continue as an agreement for the provision of certain services authorized under Section 11a of the Code and Section 22h of the Aid Act, with any provisions of this Agreement authorized exclusively under the Emergency Act severed from this Agreement consistent with the provisions for severability under Section 7.17. If the Emergency Act is repealed or otherwise not in effect, this Agreement shall continue in full force and effect under any successor statute authorizing a similar form of agreement for transfer of functions and responsibilities. If the Emergency Act is repealed or otherwise not in effect and the former Act 72 of the Public Acts of 1990 is reenacted or otherwise again in effect or applicable ("Act 72"), it is the intent of the Parties that this Agreement shall continue in effect to the full extent authorized under Act 72.

ARTICLE III

EFFECTIVE DATE

Section 3.01. Effective Date. The effective date of this Agreement is the later of March 2, 2012, or the date on which all of the following are satisfied:

(a). The Agreement is approved, entered into, and executed by the HPPS Emergency Manager and by the HPPS Emergency Manager on behalf of HPPS.

(b). The Agreement is approved, entered into, and executed by the DPS Emergency Manager and by the DPS Emergency Manager on behalf of DPS.

(c). The Agreement is approved by the State Treasurer.

ARTICLE IV

TERM OF AGREEMENT

Section 4.01. Term. This Agreement shall commence on the Effective Date and is effective for the education of HPPS students in the 2011-2012 school year only, including the school fiscal year ending June 30, 2012. Unless otherwise provided for in this Agreement, this Agreement terminates on August 31, 2012.

Section 4.02. Disposition upon Termination. As soon as possible after termination of this Agreement, DPS shall wind up its affairs under this Agreement and title to all property and assets of HPPS held by DPS as a result of this Agreement shall be distributed by DPS to the HPPS Emergency Manager. DPS may not sell, assign, or otherwise transfer the assets of HPPS. As requested by the HPPS Emergency Manager, DPS may assist HPPS with, and will facilitate, transition to any revised Plan for HPPS for the 2012-2013 school year.

ARTICLE V

PROPERTY

Section 5.01. Transfer of Property. Any real property, facilities, equipment, or other personal property held by HPPS on the Effective Date shall be made available by HPPS for use by DPS solely for purposes authorized under this Agreement as of the Effective Date and for the duration of this Agreement. While this Agreement is in effect, DPS may exercise any and all rights of HPPS relating to real property, facilities, equipment, or other personal property of HPPS consistent with this Agreement, but DPS is not authorized to sell and shall not sell, assign, encumber, or otherwise transfer the real property, facilities, equipment, or other property of HPPS.

ARTICLE VI

FINANCING

Section 6.01. Payment for Services. Beginning on the Effective Date and until the end of this Agreement, in exchange for managing and operating schools for HPPS and providing certain services to HPPS under this Agreement, DPS shall receive distressed district student transition grants of \$4,000.00 per qualifying pupil, as adjusted and provided for under Section 22h of the Aid Act. Distressed district student transitions grants received by DPS under Section 22h of the Aid Act and this Agreement shall be deposited by DPS in a separate account segregated from other moneys of DPS and may be expended only for purposes authorized under Section 22h of the Aid Act and this Agreement. After the Effective Date and prior to the receipt of distressed district student transition grants, DPS may, in accordance with applicable law, advance from funds of DPS money for payments on behalf of HPPS necessary to satisfy obligations of HPPS, including, but not limited to, obligations related to payroll and workers' compensation insurance. DPS shall only be responsible for paying HPPS obligations incurred on or after the Effective Date and until the end of this Agreement, and only to the extent that the cost of operating and managing HPPS does not exceed the total amount of distressed district

student transition grants payable to DPS under Section 22h of the Aid Act and this Agreement. Any distressed district student transition grants received by DPS as a result of this Agreement not expended by DPS for operating and managing HPPS schools under this Agreement shall be transmitted by DPS not later than August 31, 2012, as directed by the HPPS Emergency Manager and consistent with the Plan, to repay state school aid advances made by the State to HPPS under the Aid Act or to repay hardship payments made by the State to HPPS under the Aid Act. If for any reason DPS does not receive distressed district student transition grants for qualifying pupils under Section 22h of the Aid Act, DPS is not obligated to provide services to HPPS and this Agreement is terminated.

Section 6.02. Eligibility for Aid. On behalf of HPPS, DPS shall assist HPPS with maintaining eligibility for all applicable State categorical and federal aid otherwise payable to HPPS. With the consent of HPPS or the HPPS Emergency Manager, and as permitted under applicable law, DPS may make claims on behalf of HPPS for State categorical or federal aid otherwise payable to HPPS.

Section 6.03. Gifts and Grants. If requested by the HPPS Emergency Manager, DPS may accept from any Person, public or private, gifts, grants, assistance funds, or bequests on behalf of HPPS. While this Agreement is in effect, DPS shall place any gifts, grants, assistance funds, or bequests in a separate segregated fund to be used solely for the benefit of HPPS. If requested by HPPS or the HPPS Emergency Manager, DPS may apply for and accept grants, loans, or contributions from any source otherwise available to HPPS. DPS may do anything within its power to secure the grants, loans, or other contributions on behalf of HPPS, including, but not limited to, maintaining separate segregated funds for gifts, grants, assistance funds, or bequests.

Section 6.04. Federal Funding. All federal funds to be paid to HPPS on or after the Effective Date shall continue to be paid directly to HPPS. HPPS shall continue to be the recipient of all federal funds for authorized purposes and activities within HPPS and for HPPS students, and HPPS shall retain directional control of the federal funds. If requested by HPPS or the HPPS Emergency Manager, DPS shall assist HPPS in assuring that federal funds of HPPS are expended as approved for federal purposes by the Michigan Department of Education, the United States Department of Education, or both.

Section 6.05. HPPS Obligations. HPPS shall retain responsibility for all obligations of HPPS incurred before the Effective Date. Any revenue received by HPPS after the Effective Date, other than federal funds that must be expended as provided in Section 6.04, shall be expended for the following purposes, as determined by the HPPS or the HPPS Emergency Manager as consistent with the Plan for HPPS: (i) to satisfy obligations of HPPS incurred before the Effective Date; (ii) to repay the State for state school aid advances under the Aid Act; and (iii) to repay the State for hardship payments to HPPS under the Aid Act.

Section 6.06. DPS Financial Obligations. Notwithstanding any other provision of this Agreement, under no circumstances shall the obligation of DPS to operate and manage HPPS exceed the total amount of distressed district student transition grants payable to DPS under Section 22h of the Aid Act and this Agreement.

ARTICLE VII

OTHER LEGAL, FINANCIAL, AND ADMINISTRATIVE ARRANGEMENTS

Section 7.01. Due Execution of this Agreement. The HPPS Emergency Manager, and the DPS Emergency Manager, HPPS through the HPPS Emergency Manager, and DPS through the DPS Emergency Manager each shall execute not less than 4 copies of this Agreement, each of which, taken together, is an original but all of which constitute 1 agreement. The HPPS Emergency Manager shall transmit an original copy of the Agreement to the State Treasurer and the State Superintendent of Public Instruction.

Section 7.02. Amendment. This Agreement may be amended or an alternative form of this Agreement adopted only upon written agreement of all Parties and with the approval of the State Treasurer.

Section 7.03. Execution of Documents. The HPPS Emergency Manager and the DPS Emergency Manager shall cooperate in order to execute and deliver any and all documents necessary or appropriate to effectuate this Agreement, including, but not limited to, orders, Plan amendments, agreements, assignments, receipts, or certificates.

Section 7.04. Non-Discrimination. With respect to any powers, duties, rights, obligations, functions, and responsibilities transferred to DPS under this Agreement, DPS shall provide the delivery of educational services without discrimination as to religion, creed, race, color, sex, or national origin as mandated by Section 2 of Article VIII of the State Constitution of 1963. HPPS also shall comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101 to 37.2804, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101 to 37.1607, Title IX of the Education Amendments of 1972, and other applicable civil rights laws.

Section 7.05. Public Purpose and Governmental Function. As both HPPS and DPS are bodies corporate and governmental agencies, the powers, duties, rights, obligations, functions, and responsibilities transferred by HPPS to DPS under this Agreement constitute essential public purposes and governmental functions.

Section 7.06. Emergency Managers. The HPPS Emergency Manager enters into this Agreement as the emergency manager in place for HPPS under the Emergency Act. The HPPS Emergency Manager may act for and in the place and stead of the governing body and chief administrative officer of HPPS under the Emergency Act. The DPS Emergency Manager enters into this Agreement as the emergency manager in place for DPS under the Emergency Act. The DPS Emergency Manager may act for and in the place and stead of the governing body and chief administrative officer of DPS under the Emergency Act. This Agreement constitutes the exercise of broad powers by the HPPS Emergency Manager and the DPS Emergency Manager to rectify a financial emergency and to assure the fiscal accountability of each school district's capacity to provide or cause to be provided necessary governmental services essential to the public health, safety, and welfare, including, but not limited to, the provision of educational

services. Entry into this Agreement by a school district in receivership also constitutes the entry into an agreement with another local government, public body, or entity, for the provision of services, joint exercise of powers, or the administration of functions and responsibilities authorized under Section 11a of the Code, Section 19 of the Emergency Act, and Section 22h of the Aid Act. Nothing in this Agreement shall be construed to diminish or restrict the authority of the HPPS Emergency Manager or the DPS Emergency Manager under the Emergency Act or any successor statute.

Section 7.07. Notices. Any and all correspondence or notices required, permitted, or provided for under this Agreement to be delivered to any Party shall be in writing and sent to that Party by first class mail. A written notice shall be sent to each of the other Parties to this Agreement. All correspondence shall be considered delivered to a Party as of the date that the notice is deposited with sufficient postage with the United States Postal Service.

Section 7.08. Independent Contractors. In the performance of Services under this Agreement, DPS, its employees, agents, and contractors shall be regarded at all times as performing services as independent contractors of HPPS. Consistent with that status, DPS reserves the right to designate the means and methods of accomplishing the objectives and purposes of this Agreement and HPPS shall not exercise, or have the right to exercise, control or direction over the means and methods utilized by DPS in providing services to HPPS under this Agreement, unless otherwise required by law.

Section 7.09. Designation of Agency for Specific Educational Purposes. The DPS Emergency Manager, DPS, and its officers, directors, and employees, are designated as agents of HPPS, as necessary to carry out DPS's responsibilities under this Agreement, and are authorized to serve as agents of HPPS having a legitimate educational interest in HPPS and its students for purposes of the Family Educational Right and Privacy Act, 20 USC 1232g *et seq.*, 34 CFR Part 99 ("FERPA"), so that they are jointly and severally entitled to access the educational records of HPPS for all purposes related to FERPA. During the term of this Agreement, HPPS may disclose confidential data and information as defined in this Agreement to the DPS Emergency Manager or DPS, and the officers, directors, employees and designated agents of DPS to the extent permitted by applicable law, including without limitation, all of the following:

- (a). The Individuals with Disabilities Education Act ("IDEA"), 20 USC 1400 *et seq.*, and 34 CFR 300.610 to 300.626.
- (b). Section 504 of the Rehabilitation Act of 1973, 29 USC 794a, and 34 CFR 104.36.
- (c). Part 29 of the Code, MCL 380.1701 to 380.1704.
- (d). The Americans with Disabilities Act, 42 USC 12101 *et seq.*
- (e). The Health Insurance Portability and Accountability Act ("HIPAA"), 42 USC 1320d to 1320d-8, and 45 CFR 160, 162 and 164.
- (f). Social security numbers, as protected by the federal Privacy Act of 1974, 5 USC 552a, and the Michigan Social Security Number Privacy Act, 2004 PA 454, MCL 445.81 to 445.87.

Section 7.10. Relationship of Parties. DPS is a Michigan public school district, governmental entity, and body corporate authorized under the Code. DPS is neither a division nor a part of HPPS. HPPS is a Michigan public school district, governmental entity, and body corporate authorized under the Code. HPPS is neither a division nor a part of DPS. Except as otherwise provided in Section 7.09, no agent or employee of DPS shall be deemed an agent or employee of HPPS. The relationship between DPS and HPPS is based solely on the terms of this Agreement and the terms of any other written agreement between the Parties. In carrying out duties and responsibilities under this Agreement, neither DPS nor HPPS shall have any right to limit the authority of either Party and DPS will not have any role or relationship with HPPS that substantially limits the ability of HPPS or the HPPS Emergency Manager to exercise rights under this Agreement. Similarly, HPPS shall have no role or relationship with DPS that substantially limits the ability of DPS or the DPS Emergency Manager to exercise rights under this Agreement.

Section 7.11. Acts or Omissions. HPPS shall be solely and entirely responsible for its acts and omissions and for the acts and omissions of the employees of HPPS in connection with the performance of the responsibilities of HPPS before and after the Effective Date. DPS shall be solely and entirely responsible for its own acts and omissions and for the acts and omission of employees of DPS in connection with the performance of the responsibilities of DPS during the term of this Agreement. This Agreement is not intended, nor shall this Agreement be construed, as a waiver of governmental immunity provided to DPS or HPPS and their board members, officers, employees, and volunteers under Section 7 of 1964 PA 170, MCL 691.1407, or other law.

Section 7.12. HPPS Insurance. During the term of this Agreement, HPPS agrees to procure and maintain in full force and effect comprehensive general liability insurance under which DPS and the DPS Emergency Manager are named as additional insureds, with limits of not less than \$1,000,000.00 per occurrence, combined single limit for bodily injury and property damage, to protect DPS and the DPS Emergency Manager against liability or claims of liability that may arise out of an act or omission by HPPS, the HPPS Emergency Manager, or HPPS employees within the scope of coverage of the comprehensive general liability insurance policy, which coverage shall be determinative of the scope of defense and insurance coverage provided by HPPS to DPS and the DPS Emergency Manager. The purpose of this section is to name DPS and the DPS Emergency Manager as additional insureds in the event that DPS or the DPS Emergency Manager is sued as a result of acts or omissions committed by HPPS, the HPPS Emergency Manager, or HPPS employees and not solely as a result of the acts or omissions of the DPS Emergency Manager or DPS, or employees or agents of DPS. Insurance coverage shall not apply to claims or liability resulting from the sole negligence, wrongful act, or breach of this Agreement by the DPS Emergency Manager, DPS, or employees or agents of DPS. DPS must promptly notify HPPS consistent with the terms of any policy and cooperate in resolving the claim. Not later than 10 business days after the Effective Date, HPPS shall provide DPS with certificates of insurance evidencing all required coverages and endorsements. HPPS agrees to name the DPS Emergency Manager and DPS, including the board, officers, agents, and employees of DPS, as additional insureds under the policy.

Section 7.13. DPS Insurance. During the term of this Agreement, DPS agrees to procure and maintain in full force and effect comprehensive general liability insurance under

which HPPS and the HPPS Emergency Manager are named as additional insureds, with limits of not less than \$1,000,000.00 per occurrence, combined single limit for bodily injury and property damage, to protect HPPS and the HPPS Emergency Manager against liability or claims of liability that may arise out of an act or omission by DPS, the DPS Emergency Manager, or DPS employees within the scope of coverage of the comprehensive general liability insurance policy, which coverage shall be determinative of the scope of defense and insurance coverage provided by DPS to HPPS and the HPPS Emergency Manager. The purpose of this section is to name HPPS and the HPPS Emergency Manager as additional insureds in the event that HPPS or the HPPS Emergency Manager is sued as a result of acts or omissions committed by DPS, the DPS Emergency Manager or DPS employees and not solely as a result of the acts or omissions of the HPPS Emergency Manager or HPPS, or employees or agents of HPPS. Insurance coverage shall not apply to claims or liability resulting from the sole negligence, wrongful act, or breach of this Agreement by the HPPS Emergency Manager or HPPS or employees or agents of HPPS. HPPS must promptly notify DPS consistent with the terms of any policy, and cooperate in resolving the claim. Not later than 10 business days from the Effective Date, DPS shall provide HPPS with certificates of insurance evidencing all required coverages and endorsements. DPS agrees to name the HPPS Emergency Manager and HPPS, including the board, officers, agents, and employees of HPPS, as additional insureds under the policy.

Section 7.14. Governing Law. This Agreement is made and entered into in this State and shall in all respects be interpreted, enforced, and governed under State law without regard to the doctrines of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not construed strictly for or against any Party.

Section 7.15. Jurisdiction and Venue. In the event of any disputes between the Parties over the meaning, interpretation, or implementation of this Agreement, the matter under dispute, unless resolved between the Parties, shall be submitted to the courts of this State.

Section 7.16. Entire Agreement. Except as otherwise provided in this section, this Agreement sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter of this Agreement. It is further understood and agreed that the terms and conditions of this Agreement are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter of this Agreement, except as expressly stated in this Agreement. To the extent the Parties have existing agreements for services, including, but not limited to, services identified in Exhibit A, the Parties shall work together to assure continuity of services and terms for provision of the services.

Section 7.17. Severability of Provisions. If any provision of this Agreement, or its application to any Person, Party, or circumstance, is invalid or unenforceable, the remainder of this Agreement and the application of that provision to other Persons or circumstances and to the remaining Parties is not affected but will be enforced to the extent permitted by law, it being the intent of the Parties to continue to agree to the substantive provisions of this Agreement and to implement the Agreement.

This Agreement is executed by the Parties on the dates indicated below.

**SCHOOL DISTRICT OF THE CITY OF
HIGHLAND PARK,**
a Michigan public school district and body corporate

Dated: 3/2/12

By: Jack Martin
Jack Martin
Emergency Manager

Address: 20 Bartlett Avenue
Highland Park, MI 48203

**SCHOOL DISTRICT OF THE CITY OF
DETROIT,**
a Michigan public school district and body corporate

Dated: 3-2-12

By: Roy S. Roberts
Roy S. Roberts
Emergency Manager

Address: 3011 W. Grand Blvd.
Fisher Building, 14th Floor
Detroit, MI 48202-3096

**EMERGENCY MANAGER FOR THE SCHOOL
DISTRICT OF THE CITY OF HIGHLAND PARK**

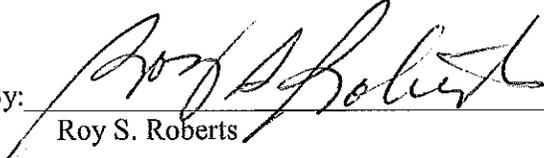
Dated: 3/2/12

By: Jack Martin
Jack Martin

Address: 20 Bartlett Avenue
Highland Park, MI 48203

**EMERGENCY MANAGER FOR THE SCHOOL
DISTRICT OF THE CITY OF DETROIT**

Dated: 3-2-12

By: 
Roy S. Roberts

Address: 3011 W. Grand Blvd.
Fisher Building, 14th Floor
Detroit, MI 48202-3096

Approval by State Treasurer

As provided under Section 22h of the Aid Act: (i) the School District of the City of Detroit is the managing district for purposes of this Agreement; and (ii) the content of this Agreement is approved. As provided in Section 19(3) of the Emergency Act, this Agreement is authorized and is not a contract subject to competitive bidding under the Emergency Act,

Dated: 3/2/12

By: 

Andy Dillon
State Treasurer

EXHIBIT A

List of DPS Services

Business and Personnel Management Services

- Procurement
- Grant application and grant administration management
- Curriculum and school improvement services

Physical Plant Operations

Custodial Services

- Trained and experienced school custodians and supervisors (as necessary)
- All cleaning equipment and supplies included
- Industry standard cleaning specifications

Maintenance Services

- Licensed heating and cooling staff (per City Ordinance)
- Routine building maintenance and repair
- 24/7 service response available
- On-line work order system

Grounds

- Mowing, edging and trimming
- Snow removal
- Fence repair

Environmental Services

- Solid waste removal
- Pest control
- Indoor air quality, lead and asbestos monitoring and abatement
- Elevator maintenance

Transportation (but only if provided by HPPS prior to Effective Date)

Yellow Bus Service

- Trained and experienced school bus drivers
- All buses and bus costs included
- Corner stop and door-to-door
- Child Check-Mate System
- Safety Net
- Digital cameras

Optional Services

- Field trips
- Taxi cabs
- Special education needs

DPS Police and Security Services

Security Officers

- Trained, uniformed Securitas Security Officers

- Building level guard services
- Metal detectors
- Armed security detail

Alarm Monitoring

- Monitor building alarms during non-school hours
- Notification of building administrator and police services

Video Surveillance Monitoring

- Monitor video security cameras
- Alert police to intrusions
- Record events from cameras

Police Services

- Sworn and certified police officers
- Patrol and emergency response
- Investigate crime reports and apprehend perpetrators of crime
- Prepare police reports and submit warrant requests to prosecutor

Information Technology Services

Network Services

- High-Speed Internet access
- CIPA compliant content filtering
- Wireless LAN access and support
- Wired LAN access and support
- 100Mbps fiber optic WAN connection
- LAN and WAN network monitoring
- Network infrastructure design and repairs

Technology Help Desk Services

- Centralized IT assistance
- Level I Triage
- Service request tracking
- Problem assignment for resolution

Field Support and Deployment Services

- Computer hardware and software support
- Printer, copier, scanner and fax support
- New purchases recommendations
- New deployment consultation
- Computer imaging services
- Equipment transportation and Installation

Telecommunication Centrex Services

- Fully featured telephone lines
- 24-hour monitoring and maintenance
- Voicemail available
- Excellent long distance rates

Phone and Network Move, Add, Change (MAC) Services

- MAC service for data and voice connections
- Design, Install new installations projects.
- Managed repairs and restoral services

- Manage carrier ordering and maintenance items

E-Rate Program Consulting Services

- Identify E rate opportunities and provide recommendations and assistance
- Prepare and Review applications and accompanying documentation
- Draft, file, submit, and review application forms
- Interface with School and Library Division Program Integrity Group
- Coordination with service providers on Universal Service Fund requirements
- Manage and maintain all E-Rate documentation requirements

Audio/Visual Services

- Audio and video system repairs
- Event coordination and designs

Web Site Hosting Services

- School website development
- Intranet content management
- Website/page maintenance

Food Services

Food Service Management

- Staffing and training
- ServSafe certification
- Logistics management
- Best value for price
- Distribution
- Warehousing

IT Support

- State of the art touch screen Point of Sale (POS) system installation and support
- Data reporting and analysis

Federal Compliance and Accountability

- Categorical meal counting
- Preparation and filing of all Federal reimbursement claims
- Meal Benefit Application management and processing

Menu Compliance

- Ensure menus meet or exceed USDA meal pattern requirements
- Daily healthy food options
- Management of USDA commodity allocation
- Inclusion of fresh, locally grown fruits and vegetables through Farm 2 School Program

Catering Services

Office of Research Evaluation and Assessment Services

Training and Procedure Development for:

- Enrollment
- Attendance Taking
- Records Management
- Count Day
- Pupil Accounting and Auditing

- State Aid Reporting
- Technology and Effective Administration
- Year End Procedures
- Professional Development Seminars
- Evaluating Programs
- Survey Development
- Geographic Information and Mapping Services

Parent Involvement Services

Organizational Structure & Governance

- Mission and Vision Development
- Election Process
- Elementary & Secondary Education Act/ NCLB
- Federal Titles
- Leadership Camp (Role of Organization)
- Local Education Agency Responsibilities
- Organization of Record-Bylaws
- Parent Compact
- Parent Involvement Policy
- Parliamentary Procedures
- State Regulations, Michigan Department of Education
- State School Aid Act of 1979, Section 31A
- Title 1, Section 1118

Parental Involvement Workshops

- Assessment Scores (i.e., MEAP, MME-ACT, ELL)
- Budget Development
- DATA—A Planning tool for parents
- Effective Parent Teacher Conferences
- Evaluation of Parent Improvement Programs
- Goal Setting and Planning
- Helpful Homework Hints
- Local School Regulations
- Parent Involvement Budget Development
- Recruitment and Retention
- School Improvement Planning
- Understanding "Specialized Student Services"
- Standardized Testing
- Technology
- Title 1—Parent Involvement
- Volunteerism

Other Educational Services

- Administration of HPPS Student policies/ handbook/ code of conduct
- Special education services
- Standardized Test Assessment Administration

- Other functions or responsibilities requested by the HPPS Emergency Manager necessary or expedient for the efficient and effective management of HPPS and in compliance with the Plan and applicable law.

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