

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF  
HIGHLAND PARK PUBLIC SCHOOL ACADEMY SYSTEM**

**SYSTEM RESTRUCTURE PLAN RESOLUTION**

A regular meeting of the Board of Directors of the Highland Park Public School Academy System (the "System") was held on the 28th day of May, 2015, at 12:00 p.m. at the Academy Board offices.

The Meeting was called to order by: Archer Collins  
Present: Archer Collins, John White, Linda Bassett  
Absent: None

The following preamble and resolution were offered by Member Mr. White and supported by Member Mrs. Bassett

WHEREAS, Highland Park Public School Academy System (the "System") in discussions with the School District for the City of Highland Park and its Emergency Financial Manager (the "District") has determined that it is in the best interests of the System to implement a plan to (i) reduce the System's educational offerings under the (a) Contract to Charter a Public School Academy and Related Documents ("Charter Contract") and (b) Agreement for Provision of Services ("Services Agreement") between the District and the System ("Charter Contract") to Kindergarten through 8<sup>th</sup> Grade, (ii) eliminate the System of responsibilities under the Charter Contract and the Services Agreement relative to the operation of the System's high school (Grades 9-12) programs, (iii) relieve the System of responsibilities under the Lease Agreement between the District and the System ("Lease Agreement") relative to the property located at 131 Pilgrim, Highland Park, Michigan and (iv) modify the Management Agreement between the System and The Leona Group, LLC (the "Management Agreement") relative to term and management fees (collectively the "System Restructure Plan"); and

WHEREAS, unexecuted copies of amendments to the Charter Contract, Services Agreement, Lease Agreement and Management Agreement (the "System Restructure Plan Amendments") have been presented for the review and consideration to the Board of Directors of the System, which copies are annexed to this resolution.

NOW, THEREFORE, IT IS RESOLVED that the System Restructure Plan is hereby adopted and approved by Highland Park Public School Academy System and that the System Restructure Plan Amendments are hereby approved in all material respects as presented;

IT IS FURTHER RESOLVED that the Highland Park Public School Academy System is authorized to take any and all actions that may at any time be necessary, appropriate or desirable to enable to the Highland Park Public School Academy System to establish and implement the System Restructure Plan; and.

IT IS FURTHER RESOLVED, that the President of the Board of Directors or the Secretary of the Board of Directors of the Highland Park Public School Academy System (each an "Authorized Officer") is hereby are each fully authorized to execute and deliver the System Restructure Plan Amendments in substantially the form hereby approved, but with such necessary and appropriate amendments, variations, omissions and insertions as may be deemed required by the Authorized Officer; and that the Authorized Officer is authorized in the System's name and on its behalf, to execute and deliver any and all documents

and to take any and all actions that may at any time be necessary, appropriate or desirable to enable to the System to comply with all obligations to be performed by the System under the terms, conditions and provisions of the System Restructure Plan Amendments and all other agreements to which the System becomes a party or by which it becomes bound pursuant to the System Restructure Plan hereby authorized.

Ayes: Members Mr. D. Collins, Mr. J. White, Ms. L. Bassett

Nays: Members None

Motion declared adopted.

John D. White  
Secretary, Board of Directors

The undersigned duly qualified and acting Secretary of the Board of Directors of System, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on May 28, 2015, the original of which is a part of the Board of Director's minutes and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, 1976 PA 267, as amended.

John D. White  
Secretary, Board of Directors

CONFIDENTIAL AND  
PRELIMINARY TO A FINAL DETERMINATION  
MAY 27, 2015

**[SECOND] AMENDMENT TO LEASE AGREEMENT**

This [Second] Amendment to Lease Agreement ("Amendment") has been made effective as of the 1st day of July, 2015 ("Effective Date"), by and between School District of the City of Highland Park, a Michigan public school district ("Landlord") and Highland Park Public School Academy System, a Michigan nonprofit corporation and a Michigan public school academy ("Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated as of July 27, 2012 (the "Lease"); and

WHEREAS, Landlord and Tenant are desirous of modifying and amending the Lease as set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and each intending to be legally bound, Landlord and Tenant hereby agree to modify and amend the Lease in the following particulars:

1. Unless otherwise provided in this Amendment, all capitalized terms shall have the meanings described in the Lease.

2. Section 1.1 of the Lease and Exhibit A to the Lease are hereby amended to delete from the "Premises," the property commonly known as Henry Ford Academy, located at 131 Pilgrim, Highland Park, Michigan (the "Henry Ford Property") as of the Effective Date. Commencing with the Effective Date, the Landlord will assume full responsibility for the Henry Ford Property and Tenant shall be relieved of any obligation relating to the Henry Ford Property under the Lease.

3. Section 2 of the Lease is hereby amended to read as follows:

"The term of this Lease (the "Term") is coterminous with the term of the charter contract ("Contract") issued to Tenant. At the end of the Term, if Tenant continues to operate pursuant to a Contract from Landlord's governing board or an alternate authorizing body, then the Term of this Lease shall continue for additional five (5) year terms (each, an "Extension Term"), unless terminated as provided hereunder. If, at any time during an Extension Term, the Landlord's financial emergency is rectified in accordance with the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541 to 141.1575 ("Act"), or any successor statute, then this Lease shall terminate at the end of the school fiscal year in which the financial emergency is rectified without any further action of the parties.

For purposes of this Lease, Landlord's duties and responsibilities shall be performed by the emergency manager appointed for the Landlord pursuant to the Act ("Emergency Manager"). If an Emergency Manager is in place for the Landlord pursuant to the Act, and a successor statute to the Act is enacted and the Act is repealed, suspended, or no longer in effect, then the person performing the role of an emergency manager under the successor statute shall perform the Landlord's duties and responsibilities under this Lease."

4. Section 5.2 is deleted in its entirety and replaced with the following:

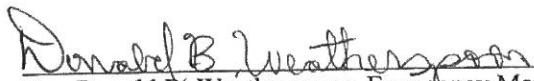
"Except as otherwise provided in this section, Tenant shall pay as Additional Rent all charges made against the Premises for gas, heat, electricity, sewer and all other utilities, as and when due during the Term. During the Term of this Lease, Tenant is not obligated to pay as Additional Rent any charge for water. Except as otherwise noted below, during the Term of this Lease, Tenant is not obligated to pay as Additional Rent natural gas charges on the Henry Ford Property, as defined in the [Second] Amendment (DTE Service Address: 15985 2nd Avenue), up to \$250,000. Tenant shall pay as Additional Rent any outstanding natural gas charge that exceeds \$250,000 on the Henry Ford Property."

5. Section 21 is hereby amended to delete from the "Notices," the contact information for the Landlord and shall be replaced with the following language:

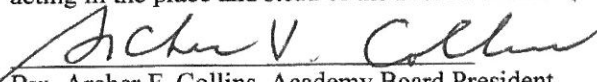
Donald B. Weatherspoon  
Emergency Manager  
131 Pilgrim Street  
Highland Park, Michigan 48203

6. Except as specifically modified and amended by this Amendment, the Lease is hereby expressly ratified and confirmed.

IN WITNESS WHEREOF, Landlord and Tenant have entered into this [Second] Amendment as of the day and year first above written.

  
By: Donald B. Weatherspoon, Emergency Manager,  
acting in the place and stead of the District Board

Dated: May 28, 2015

  
By: Archer F. Collins, Academy Board President  
Designee of the System Board

Dated: May 28, 2015

CONFIDENTIAL AND  
PRELIMINARY TO A FINAL DETERMINATION  
5/26/2015

**AMENDMENT TO AGREEMENT FOR PROVISION OF SERVICES**

**BY AND BETWEEN**

**THE SCHOOL BOARD OF THE SCHOOL DISTRICT OF THE CITY OF  
HIGHLAND PARK**  
**(AUTHORIZING BODY)**

**AND THE**

**HIGHLAND PARK PUBLIC SCHOOL ACADEMY SYSTEM**  
**(PUBLIC SCHOOL ACADEMY)**

**MAY \_\_, 2015**

**AMENDMENT**

**AGREEMENT FOR PROVISION OF SERVICES**

In accordance with Section 4.7 of the Agreement for Provision of Services by and between **THE SCHOOL BOARD OF THE SCHOOL DISTRICT OF THE CITY OF HIGHLAND PARK** ("District Board") and **HIGHLAND PARK PUBLIC SCHOOL ACADEMY SYSTEM** ("System"), dated July 27, 2012 ("Agreement"), the parties agree to amend the Agreement as follows:

1. Amend Article I, Section 1.1(a), (f) and (h) of the Agreement by deleting the current definitions and replacing them with the following:

(a) "Act" means the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541 to 141.1575.

(f) "District Board" means the board of education for the District. If an Emergency Manager is in place for the District under the Act, or any successor statute, "District Board" means the Emergency Manager to the extent that the Emergency Manager is authorized to act in the place and stead of the District Board under the Act or any successor statute.

(h) "Emergency Manager" means the individual appointed under the Act, or any successor statute, as the emergency manager for the District.

2. Amend Article II, Section 2.1 of the Agreement by deleting the current language and replacing it with the following:

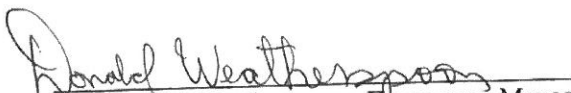
**Section 2.1 Purpose.** The purpose of this Agreement is to assure the provision of public educational services to kindergarten through 8<sup>th</sup> grade residents of the District.

3. Amend Article III, Section 3.1 of the Agreement by deleting the current language and replacing it with the following:

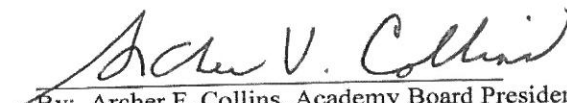
**Section 3.1 Public Educational Services.** While this Agreement is in effect, the District Board will not directly provide kindergarten through 8<sup>th</sup> grade public educational services to residents of the District or within the geographic boundaries of the District and will instead cause kindergarten through 8<sup>th</sup> grade public educational services to be provided to residents of the District or within the

geographic boundaries of the District by the System. Any obligation of the District to provide kindergarten through 8<sup>th</sup> grade public educational services to residents of the District or within the geographic boundaries of the District is assumed by the System. If an obligation to provide kindergarten through 8<sup>th</sup> grade public educational services is within the scope of the Contract initially issued to the System on July 27, 2012, the kindergarten through 8<sup>th</sup> grade public educational services shall be provided by the System under the Contract. If an obligation to provide kindergarten through 8<sup>th</sup> grade public educational services is not within the scope of the Contract, the kindergarten through 8<sup>th</sup> grade public educational services shall be provided by the System under this Agreement.

This amendment is hereby approved by the District Board and the System Board through their authorized designees and is effective July 1, 2015.

  
By: Donald Weatherspoon, Emergency Manager,  
Acting in the place and stead of the District Board

Dated: May 28, 2015

  
By: Archer F. Collins, Academy Board President  
Designee of the System Board

Dated: May 28, 2015

CONFIDENTIAL AND  
PRELIMINARY TO A FINAL DETERMINATION  
5/26/2015

**[SECOND] AMENDMENT TO MANAGEMENT AGREEMENT**

This [Second] Amendment to Management Agreement ("Amendment") is made as of the \_\_\_\_\_ day of May, 2015, by and between Highland Park Public School Academy System, a Michigan public school academy and body corporate ("System") and The Leona Group, L.L.C., a Michigan limited liability company ("TLG")

WHEREAS, the System and TLG entered into a certain Management Agreement dated as of July 27, 2012, as modified by First Amendment to Management Agreement effective as of June 30, 2014 (collectively the "Management Agreement"); and

WHEREAS, the System and TLG desire to amend the Management Agreement to modify the (i) the Term provisions of Section 10.1 and (ii) Consideration of Services provisions of Section 13.1.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, TLG and the System hereby agree to amend and modify the Management Agreement in the following particulars:

1. Notwithstanding anything contained in the Management Agreement to the contrary, Section 10.1 of the Management Agreement entitled "Term" is hereby amended to provide that the Term of the Management Agreement shall be the effective date of the Management Agreement through June 30, 2016.

2. Notwithstanding anything contained in the Management Agreement to the contrary, Section 13.1.1 of the Management Agreement entitled "Management Fee" is hereby amended to provide that the Fixed Periodic Fee for the School Year (as defined in the Management Agreement) (i) ending June 30, 2015 shall be One Hundred Fifty Thousand (\$150,000) Dollars; and (ii) ending June 30, 2016 shall be computed as being equal to ten percent (10%) of the System's Gross Revenue, payable in monthly installments. For purposes of this Amendment, the term "Gross Revenue" shall mean all receipts of the System of whatsoever kind or nature, excluding (a) any amounts donated or contributed to the System, including the Three Hundred Thousand (\$300,000) Dollars to be provided by the District and (b) any proceeds from borrowings undertaken by System. Section 13.1.2 regarding the Annual Variable Fee is deleted.

3. Except as specifically amended above, all of the terms and conditions of the Management Agreement shall remain in full force and effect and are hereby ratified and confirmed.



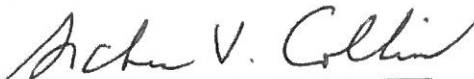
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5/26/2015

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth  
in the introductory paragraph of this Amendment.


Highland Park Public School Academy  
System

The Leona Group, LLC

By:

  
Archer F. Collins  
Its President, Board of Directors

By:

  
William Coats  
Its Chief Executive Officer

CONFIDENTIAL AND  
PRELIMINARY TO A FINAL DETERMINATION  
5/26/2015

**CONTRACT AMENDMENT NO. [4]**

**BY AND BETWEEN**

**THE SCHOOL BOARD OF THE SCHOOL DISTRICT OF THE CITY OF  
HIGHLAND PARK**  
**(AUTHORIZING BODY)**

**AND THE**

**HIGHLAND PARK PUBLIC SCHOOL ACADEMY SYSTEM**  
**(PUBLIC SCHOOL ACADEMY)**

**MAY \_\_, 2015**

## CONTRACT AMENDMENT NO. [4]

### HIGHLAND PARK PUBLIC SCHOOL ACADEMY SYSTEM

In accordance with Article IX of the Terms and Conditions, incorporated as part of the Contract to Charter a Public School Academy and Related Documents, issued by **THE SCHOOL BOARD OF THE SCHOOL DISTRICT OF THE CITY OF HIGHLAND PARK** (“District Board”) to **HIGHLAND PARK PUBLIC SCHOOL ACADEMY SYSTEM** (“System”) on July 27, 2012 (“Contract”), the parties agree to amend the Contract as follows:

1. Amend Article I, Section 1.01(a), (g) and (l) of the Terms and Conditions by deleting the current definitions and replacing them with the following:

(a) “Act” means the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541 to 141.1575.

(g) “District Board” means the board of education for the District. If an Emergency Manager is in place for the District under the Act, or any successor statute, “District Board” means the Emergency Manager to the extent that the Emergency Manager is authorized to act in the place and stead of the District Board under the Act or any successor statute.

(l) “Emergency Manager” means the individual appointed under the Act, or any successor statute, as the emergency manager for the District.

2. Amend Article XII, Section 12.7 of the Terms and Conditions by deleting the current language and replacing it with the following:

Section 12.7. Repeal of Act. If the Act is repealed, suspended, or otherwise not in effect, all of the following shall apply: (a) this Contract shall continue in full force and effect; and (b) an order issued by the Emergency Manager under the Act, 2011 PA 4 or former 1990 PA 72, shall continue in effect until otherwise rescinded in accordance with Applicable Law.

3. Amend Article XII, Section 12.13 of the Terms and Conditions by deleting the current language and replacing it with the following:

Section 12.13. Term of Contract. This Contract shall commence on July 27, 2012 and terminate on June 30, 2017 (“Term”), unless sooner revoked or terminated as provided in this Contract. At the end of the Term, if the System

continues to operate pursuant to a contract from the District Board or an alternate authorizing body under Section 12.6, then the Term of this Contract shall continue for additional 5 year terms (each, an “Extension Term”), unless sooner revoked or terminated as provided in this Contract. If, at any time during an Extension Term, the District’s financial emergency is rectified under the Act, or any successor statute, then this Contract shall terminate at the end of the school fiscal year in which the financial emergency is rectified without any further action of the parties.

4. Amend Schedule 5: Description of Staff Responsibilities, by incorporating the [Second] Amendment to Management Agreement attached as Exhibit A.
5. Amend Schedule 6: Physical Plant Description, by incorporating amended Physical Plant Description and the [Second] Amendment to Lease Agreement attached as Exhibit B.
6. Amend Schedule 7: Required Information for Public Schools Academy, by adding the language below as part of Schedule 7:

Notwithstanding any provision in this Contract to the contrary, the System shall only provide and operate a kindergarten through 8th grade educational program as of the Effective Date. Any provision in this Contract requiring the System to operate a 9th through 12th grade educational program, or that refers to a 9th through 12th grade educational program, shall be null and void as of the Effective Date.

This amendment is hereby approved by the District Board and the System Board through their authorized designees. Paragraphs 1 through 3 are effective immediately, and paragraphs 4 through 6 are effective July 1, 2015.

\_\_\_\_\_  
By: Donald Weatherspoon, Emergency Manager,  
acting in the place and stead of the District Board

Dated: May \_\_, 2015

\_\_\_\_\_  
By: Archer F. Collins, Academy Board President  
Designee of the System Board

Dated: May \_\_, 2015

