

Manistee County Board of Commissioners

Manistee County Courthouse • 415 Third Street • Manistee, Michigan 49660

CHAIRPERSON
Allan O'Shea
VICE-CHAIRPERSON
Janice McCraner

Kathy Fenstermacher
Edward Haik
Ervin Kowalski
Glenn Lottie
Carl Rutske

CLERK

Marilyn Kliber
(231) 723-3331

CONTROLLER/ADMINISTRATOR

Thomas Kaminski
(231) 398-3500

HUMAN SERVICES COMMITTEE

Thursday, June 5, 2008
9:00 A.M.

Manistee County Courthouse & Government Center
Board of Commissioners Meeting Room

AGENDA

- 1) Patrick Dougherty, Attorney, and Penelope L. Dougherty RN will appear before the Committee to continue discussion and request consideration of allowing Manistee Area Community Clinic, Inc., to use the Public Health building once per week for purposes of providing a free clinic for low income individuals who are not covered by health insurance. Representatives from Public Health, Mental Health, the County Prosecutor's Office, and the County Controller/Administrator's Office will participate in this discussion with the Committee. This issue was previously discussed at a Human Services Committee meeting on Wednesday, September 22, 2007. At that time, the Committee reviewed correspondence from Penelope L. Dougherty RN dated September 14, 2007, requesting use of the Public Health building for this free clinic. The Human Services Committee at that time instructed the County Controller/Administrator to send Ms. Dougherty a letter outlining requirements which would need to be fulfilled prior to any additional discussion. A copy of Ms. Dougherty's letter dated September 14, 2007, and Mr. Kaminski's response to Ms. Dougherty dated October 29, 2007, are attached to this agenda under APPENDIX A.
- 2) Review and discussion of the following Public Health/Mental Health building issues:
 - A) A request from Mental Health to convert a Public Health storage area to an office.
 - B) Discussion regarding the warranty deed for the property located at 385 Third Street, which conveys this property from Manistee/Benzie Community Mental Health Services Board to Manistee County (APPENDIX B).
 - C) Continued discussion of finalizing a License Agreement and Right of First Refusal document which was previously prepared by Richard Wilson for both party's consideration. These agreements were not included in the original warranty deed, and if approved would take care of various parking lot trespass issues, which were previously discussed when the final transfer of property was being considered (APPENDIX C).
 - D) Review and discussion of a report prepared by Structural Specialties, Inc., on the structural condition of the Manistee/Benzie Community Mental Health/Public Health building located at 385 Third Street (APPENDIX D).
- 2) Other items from Committee Members.
- 3) Adjournment.

(APPENDIX A-1)

RECEIVED
SEP 14 2007

September 14, 2007

Mr. Thomas Kaminski
Manistee County Administrator
415 Third Street
Manistee, MI 49660

Dear Mr. Kaminski

I am writing to request that Manistee County allow for our organization, Manistee Area Community Clinic, Inc., to use the Health Department Building, once per week for the purpose of providing a free clinic for low income persons who are not covered by health insurance. The clinic would not be limited to, but would be aimed at, individuals with chronic conditions, such as diabetes, who need to see a physician on a regular basis, but are unable to afford to do so. We would not, however, be aiming for individuals who are in chronic pain and need narcotic pain relief on a long term basis. In addition to the free clinic, we would also be providing a medical access program to supply free pharmaceuticals.

In addition to the use of the building, once per week, (possibly starting at once every two weeks), we would ask, if there is room available, for one office and one cabinet in which to store supplies. If an office is not available we would seek office space elsewhere, but we would still like to pursue using the health department building for the free clinic.

I must emphasize that the inception of the free clinic is still in the planning stages. We have not secured grant funding, although we have determined the potential sources for grant funding, and most importantly we have not yet secured the backing of West Shore Medical Center. Without the backing of West Shore Medical Center the project most likely would not be feasible. We have, however, lined up commitments from nurses and doctors to volunteer their time for such a program, and we would like to be able to move forward with the understanding that if we are successful in securing the backing of West Shore Medical Center and secure funding, that we would have an adequate location for the clinic.

We have previously spoken with Linda Van Gills, of the Manistee County Health Department, and she believes that our proposal to have the free clinic operate out of

(A-2)

the health department, one evening per week, from approximately 5:00 p.m. until 7:00 p.m., (the exact hours may change), is feasible. A similar program is operating in Cadillac, Michigan at this time, with a similar arrangement.

These types of health clinics have become available in many large and small cities throughout Michigan. As we indicated previously, grants for the operation still appear to be available through the federal government, Blue Cross/Blue Shield Insurance Company, as well as local funding through the United Way.

One of the federal government grants is specifically aimed for the payment of liability insurance. We will not be operating the free health clinic without adequate liability insurance, and such insurance will list Manistee County, if the county is providing the location for the free clinic, as an additional insured party. We would expect that any tentative approval of the free clinic being conducted out of the health department building would be contingent upon adequate assurances concerning liability insurance.

Please contact me with your thoughts on this matter, or if you have additional questions or concerns.

Sincerely



Penelope L. Dougherty, RN
6531 Miller Road
Manistee, MI 49660
231-889-0302

PLD/pj

cc: Linda Van Gills

(A-3)

OFFICE OF
CONTROLLER/
ADMINISTRATOR

231-398-3500 • Fax 231-723-1795

www.manisteecounty.net



Manistee County

Manistee County Courthouse • 415 Third Street • Manistee, Michigan 49660

October 29, 2007

Penelope L. Dougherty, RN
6531 Miller Road
Manistee, MI 49660

RE: Use of the Public Health Department Building in Manistee

Dear Ms. Dougherty:

On Wednesday, September 26, 2007, the Manistee County Board of Commissioners Human Services Committee reviewed your letter requesting use of the Public Health Department Building on Third Street once per week for the purpose of providing a free clinic for low income people who are not covered by health insurance. Your letter indicated that you are still in the planning stages, and have not yet secured grant funding or the backing of West Shore Medical Center.

At this time, the Human Services Committee has not made a recommendation to the Board of Commissioners regarding this potential partnership. Instead, I have been instructed to provide you with this correspondence indicating that once the hospital partnership, grant funding, and insurance issues are finalized, further discussion with your organization can take place. As for insurance requirements, I have spoken with the County's Regional Risk Manager, and he indicated that any agreement would need to include proof of at least \$1 million in general liability insurance, proof of medical malpractice insurance carried by all medical staff, proof of workers' compensation insurance for all employees, and a hold harmless agreement signed by your organization. Perhaps an agreement that defines your responsibilities for the space could be drafted which includes all of these requirements.

You also indicated the need for one office and one cabinet in which to store supplies. At this time, it does not appear that office space is available on either the Public Health or Mental Health side of the building, however, as we continue discussions, perhaps something can be worked out between all parties.

At this time, I am requesting that you continue your planning process, and once grant funding, insurance, and hospital support have been organized, that you contact me and/or Linda VanGills to continue further discussions on this issue. If you have any further questions, or

(A-4)

require additional information, please feel free to contact me at any time.

Sincerely,



Thomas D. Kaminski
County Controller/Administrator

CC: Linda VanGills, District Health Department #10, Public Health Officer
Janice McCraner, Chairperson, Manistee County Human Services Committee
Kathy Fenstermacher, Human Services Committee Member
Ervin Kowalski, Human Services Committee Member

[rn h:\correspondence\Dougherty 102907]

Gockerman, Wilson, Saylor & Hesslin, P.C.

Bruce C. Gockerman*
Richard M. Wilson, Jr.
George V. Saylor, III
Daniel D. Hesslin
Noah S. Joseph
Kathryn E. Glancy

Attorneys at Law
414 Water Street, P.O. Box 537
Manistee, Michigan 49660
(231) 723-8333 • (231) 723-3322
FAX: (231) 723-3888
e-mail: gwsh@gwsh.com
http://www.gwsh.com

Grand Rapids Office:
124 East Fulton Street
Grand Rapids, MI 49546
(616) 458-3994
FAX: (616) 458-2410

*admitted in Illinois

e-mail Richard M. Wilson, Jr.:
rmw@gwsh.com

March 14, 2008

Mr. Tom Kaminski
County Controller/Administrator
415 Third Street
Manistee, MI 49660

Re: MBCMH
Parcel #51-51-574-725-01

Dear Tom:

On behalf of our client, the Manistee-Benzie Community Mental Health Services Board, I am enclosing the original Warranty Deed for the property located at 385 Third Street, Manistee. I am also enclosing an original certified Resolution of the Mental Health Services Board authorizing the conveyance and directing Jeff Rose to sign the deed. These instruments are being provided to you in fulfillment of CMH's obligation under 6.3 of the Lease dated October 21, 1997.

By copy of this letter to Manistee Abstract and Title Co., I am advising it that we have delivered the deed to you. We will pay the premium for the title insurance, which should be issued shortly after you record the deed.

If you should have any questions, please feel free to contact me.

Very truly yours,

GOCKERMAN, WILSON, SAYLOR & HESSLIN, P.C.

Richard M. Wilson, Jr.

RMW/lms
Enclosures

C: Mr. Ford Stone, Prosecuting Attorney
Ms. Lois Snyder, President, Manistee Abstract & Title Co.
Mr. Jeff Rose, Manistee-Benzie Community Mental Health
(with enclosures)

(APPENDIX B-1)

RECEIVED
MAR 17 2008

(B-2)

MANISTEE-BENZIE COMMUNITY MENTAL HEALTH SERVICES BOARD

RESOLUTION 2007 –11-01

**RESOLUTION AUTHORIZING INTERIM EXECUTIVE DIRECTOR TO DELIVER DEED
AND TAKE OTHER ACTION TO FULFILL BOARD'S OBLIGATIONS
TO MANISTEE COUNTY, AND TO RESCIND ALL RESOLUTIONS
IN CONFLICT HEREWITH**

WHEREAS, the Manistee-Benzie Community Mental Health Services Board ("Board") entered into a certain lease with the County of Manistee ("County") dated October 21, 1997, for those premises described as 385 Third Street, Manistee, MI 49660; and

WHEREAS, the aforementioned lease contained an option to purchase the property commonly known as 385 Third Street, Manistee, MI 49660, and consisting of the land and building located on Lots 1, 2, and 3, except the West 22 feet of Lot 3, Block 13 of Mark S. Tyson & Co.'s Addition to the City of Manistee, according to the recorded plat thereof (the "Property"); and

WHEREAS, by letter dated February 7, 2007, the County has notified the Board of its intent to exercise the option to purchase the Property; and

WHEREAS, the Interim Executive Director has caused to be prepared a Warranty Deed and has caused to be obtained a commitment for a policy of title insurance in fulfillment of the Board's obligations under the option to purchase; and the Board being otherwise fully informed in the premises;

NOW, THEREFORE, on the motion Dennis Risser, seconded by James Wisniski, IT IS HEREBY RESOLVED, as follows:

1. The Interim Executive Director is hereby authorized and directed to sign, execute, acknowledge and deliver to the County a Warranty Deed, in fulfillment of the Board's obligation under the option to purchased contained in the lease between the Board and the County dated October 21, 1997, such deed to be delivered at a time and place to be agreed upon by the parties.
2. The Interim Executive Director is further hereby authorized and directed to take all other actions and sign, execute, acknowledge and deliver such other and further assurances and instruments as may be necessary, required or convenient to fulfill the Board's obligations under the aforementioned lease.
3. All prior resolutions of the Board in conflict herewith are hereby rescinded to the extent of the conflict.

(B-3)

Those voting in favor: Ray Kadlec, Tom Kelley, Janice McCraner, Betty Noteware,
Dennis Risser, James Wisniski, Peter Barnes, Don Smeltzer,
Teresa Pechacek, Kathy Fenstermacher, Jean Bowers

Those voting against:

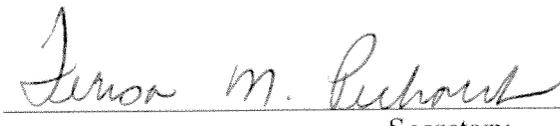
Those absent or abstaining:

RESOLUTION DECLARED PASSED.


Secretary

CERTIFICATION

I, TERESA PECHACEK, Secretary of the Manistee-Benzie Community Mental Health Services Board, **CERTIFY** that the foregoing is a true and correct copy of the Resolutions adopted by the Manistee-Benzie Community Mental Health Services Board at a regular meeting held on the eighth day of November, 2007.


Secretary

(B-4)

WARRANTY DEED

THIS INDENTURE, made November 8, 2007, between **Manistee-Benzie Community Mental Health Services Board**, a Municipal Corporation, whose address is 310 Glocheski Drive, Manistee, MI 49660, Grantor; and **Manistee County**, a political subdivision of the State of Michigan, whose address is 415 Third Street, Manistee, MI 49660, Grantee;

WITNESSETH, that the said Grantor, for and in consideration of Two Hundred Seventy-two Thousand Two Hundred Sixty-two and 88/100 (\$272,262.88) Dollars to him in hand paid by the said grantee, the receipt whereof is hereby confessed and acknowledged, does by these presents, grant, bargain, sell, remise, release, alien and confirm unto the said grantee, and to his heirs and assigns, FOREVER, all that certain piece or parcel of land situated in the City of Manistee, County of Manistee, and State of Michigan, and further described as follows:

Lots One (1), Two (2) and Three (3) except the West 22 feet of Lot Three (3), Block Thirteen (13) of Mark S. Tyson & Co.'s Addition to the City of Manistee, according to the plat thereof as recorded in Liber 3 of Deeds, Pages 90 and 91, Manistee County Records.
Parcel ID Number: 51-51-574-725-01

Except all oil, gas, minerals and related hydrocarbons as reserved in Liber 598, page 580, Manistee County Records.

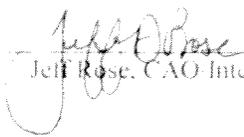
Subject to the Grantor's equity position and right to continued occupancy as set forth in that certain lease between the parties dated October 21, 1997, which lease is not merged in this conveyance.

Together with all and singular the hereditaments and appurtenances therunto belonging or in anywise pertaining; TO HAVE AND TO HOLD the said premises to the said grantee, and to his heirs and assigns, to the sole and only proper use, benefit and behalf of the said grantee, his heirs and assigns, FOREVER. And the said grantor, for himself, his heirs, executors and administrators, does covenant, grant, bargain and agree to and with the said grantee, his heirs and assigns, that at the time of the delivery of these presents he is well seized of the above granted premises in fee simple; that they are free from all encumbrances whatever and that he will, and his heirs, executors and administrators shall WARRANT AND DEFEND the same against all lawful claims whatsoever.

(When applicable, pronouns and relative words shall be read as plural, feminine or neuter, respectively.)

IN WITNESS WHEREOF, the said Grantor has hereunto set his hand the day and year first above written.

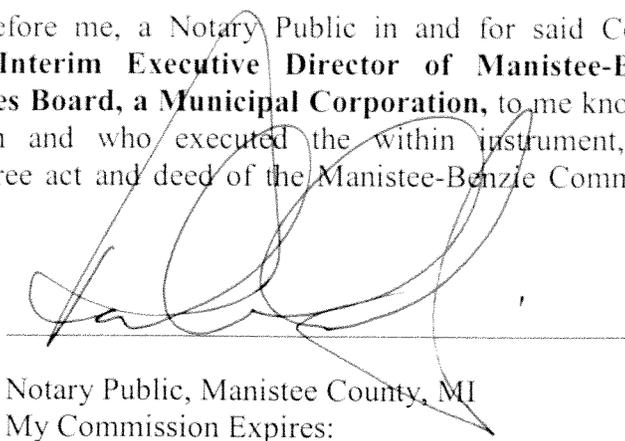
Manistee-Benzie Community Mental Health Services Board, a Municipal Corporation

By: 
Jeff Rose, CAO-Interim CEO

(B-5)

STATE OF MICHIGAN)
) SS.
COUNTY OF MANISTEE)

On March 17 2008, before me, a Notary Public in and for said County, personally appeared **Jeff Rose, Interim Executive Director of Manistee-Benzie Community Mental Health Services Board, a Municipal Corporation**, to me known to be the same person described in and who executed the within instrument, who acknowledged the same to be the free act and deed of the Manistee-Benzie Community Mental Health Services Board.



Notary Public, Manistee County, MI
My Commission Expires:

RICHARD M. WILSON, JR. NOTARY PUBLIC
MANISTEE COUNTY, STATE OF MICHIGAN
MY COMMISSION EXPIRES 3-19-2014

Drafted by:
GOCKERMAN, WILSON, SAYLOR & HESSLIN, P.C.
BY: Richard M. Wilson, Jr. (P29717)
Attorneys at Law
414 Water Street
Manistee, MI 49660
(231) 723-8333

(APPENDIX C-1)

Thomas D. Kaminski

From: "Richard M Wilson Jr" <rmw@gwsh.com>
To: "Tom Kaminski" <tdkaminski@manisteecounty.net>
Cc: "Ruth Meikle" <rmeikle@mcbmh.org>; "Ford Stone" <fkstone@manisteecounty.net>
Sent: Friday, May 30, 2008 4:37 PM
Attach: right-first-refusal.doc; LICENSE AGREEMENT.doc
Subject: Third Street Property

Tom,

Here are copies of the License Agreement and Right of First Refusal that I had previously prepared for the parties' consideration. Obviously, some names and dates will have to be changed. However, I agree we would all be doing our successors a big favor by getting these details handled now, rather than leaving them for posterity.

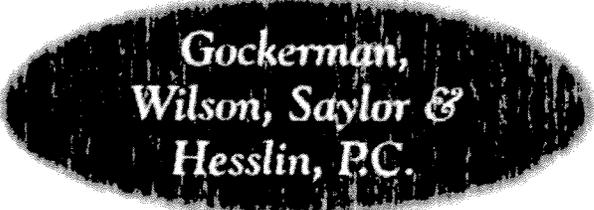
Richard

Richard M. Wilson, Jr.
Gockerman, Wilson, Saylor & Hesslin, P.C.
Attorneys at Law
414 Water Street
Manistee, MI 49660

231-723-8333
231-723-3888 fax
rmw@gwsh.com

THE INFORMATION CONTAINED IN THIS E-MAIL IS INTENDED ONLY FOR THE PERSONAL AND CONFIDENTIAL USE OF THE DESIGNATED RECIPIENTS ABOVE. THIS E-MAIL IS AN ATTORNEY-CLIENT COMMUNICATION, AND AS SUCH IS PRIVILEGED AND CONFIDENTIAL. IF THE READER OF THIS E-MAIL IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR AND THAT ANY REVIEW, DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED, AND YOU SHOULD DELETE IT FROM YOUR SYSTEM IMMEDIATELY AFTER NOTIFYING ME BY TELEPHONE OR E-MAIL OF YOUR RECEIPT OF THIS COMMUNICATION. THANK YOU.

To the extent that this written communication may address federal tax issues, federal regulations issued by the U.S. Treasury require that the recipient be informed that this written communication is not intended and cannot be used to (i) avoid any potential tax penalties that may be imposed under the U.S. Internal Revenue Code or (ii) promote, market, or recommend to another party any transaction or matter addressed in this communication.



**Gockerman,
Wilson, Saylor &
Hesslin, P.C.**

(C-2)

LICENSE AGREEMENT

THIS AGREEMENT entered into on the _____ day of _____, 2007, by and between the **Manistee-Benzie Community Mental Health Services Board**, a municipal corporation, of 310 North Glocheski Drive, Manistee, MI 49660, hereinafter referred to as "Grantor" and **Manistee County**, of 415 Third Street, Manistee, MI 49660, hereinafter referred to as "Grantee".

WITNESSETH:

WHEREAS, Grantor is the owner of the following described lands situated in the City of Manistee, County of Manistee, State of Michigan, and further described as:

The West 22 feet of Lot 3, Lots 4 and 5, Block 13, Mark S. Tyson & Co's Addition to the Village (now City) of Manistee, according to the recorded plat thereof.

(the "Property")

WHEREAS, Grantee is the owner of lands adjoining the Property; and

WHEREAS, there exists on the Property a parking lot that has historically served the staff and customers/clients of both parties; and

WHEREAS, Grantor desires to grant to Grantee a non-exclusive license to permit Grantee, its agents, servants, employees, contractors and business invitees to use the parking lot located on the Property on the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grantor hereby grants to Grantee a non-exclusive license for the sole purpose of allowing Grantee, its agents, servants, employees, contractors and business invitees to use the parking lot located on the Property for the parking of motor vehicles and ingress and egress to Grantee's adjoining lands. The non-exclusive license herein granted, unless earlier terminated as provided in paragraph 2 below, or extended by another instrument in writing, shall expire on May 1, 2017.

2. In the event the Property or a material part thereof that includes the parking lot is sold to a third party, this license shall terminate immediately and without notice to Grantee.

3. This license shall be transferable to a subsequent owner of Grantee's adjoining lands with the prior written consent of Grantor, which consent shall not be unreasonably withheld or delayed.

(C-3)

4. Grantee, for itself, its successors and assigns, hereby releases, remits, quit-claims, waives and relinquishes any and all claims, if any, Grantee may have against or to the Property, or any part thereof, arising by prescription, adverse possession, or otherwise, or arising from the use and location of the parking lot, except for the specific license rights herein granted pursuant to this Agreement.

5. Grantee, for itself, its successors and assigns, shall indemnify, defend and hold harmless Grantor from and against any and all claims, damages, causes of action, costs, expenses and actual attorney fees for any injury to persons (including death), or damages to property arising from or in any way relating to the use or occupancy of the parking lot by Grantee, its agents, servants, employees, contractors and business invitees.

6. Grantor, for itself, its successors and assigns, shall indemnify, defend and hold harmless Grantee from and against any and all claims, damages, causes of action, costs, expenses and actual attorney fees for any injury to persons (including death), or damages to property arising from or in any way relating to the use or occupancy of the parking lot by Grantor, its agents, servants, employees, contractors and business invitees.

7. Each party shall be responsible for repairing any damage done to the parking lot arising from the use of the parking lot by such party, or such party's agents, servants, employees, contractors or business invitees. Grantor shall be responsible for snow plowing and routine repairs and ongoing maintenance (sealing, stripping, etc.) of the parking lot. Grantee shall reimburse Grantor for 53% of the costs of plowing, repairs and maintenance of the parking lot, which costs Grantor shall itemize annually for Grantee.

8. Except to the extent herein granted, Grantor reserves all right, title and interest in and to the Property.

9. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and there are no prior or contemporaneous written or oral agreements not set forth herein.

10. This Agreement may not be altered or amended, except by another suitable instrument, in writing and signed by all parties.

11. This Agreement shall be interpreted and construed in accordance with the laws of the State of Michigan.

12. Except as stated above, this Agreement shall be binding upon the parties hereto, their successor and assigns.

[Signatures on following page]

(C-4)

Manistee-Benzie Community Mental Health Services Board

By: _____
Michael Moran
Its: Executive Director

Grantor

Manistee County

By: _____
Its: _____

Grantee

STATE OF MICHIGAN)
) SS.
COUNTY OF MANISTSEE)

On April ____, 2007, before me, a Notary Public in and for said County, personally appeared Michael Moran, Executive Director of Manistee-Benzie Community Mental Health Services Board, a Municipal Corporation, to me known to be the same person described in and who executed the within instrument, who acknowledged the same to be the free act and deed of the Manistee-Benzie Community Mental Health Services Board.

Notary Public, Manistee County, MI
My Commission Expires:

(C-6)

RIGHT OF FIRST REFUSAL

Grant of right of first refusal, made on April __, 2007, by **Manistee-Benzie Community Health Services Board**, (hereinafter "Grantor"), of 310 North Glocheski Drive, Manistee, MI 49660, to **County of Manistee**, (hereinafter "Grantee"), of 415 Third Street, Manistee, MI 49660.

Recitals

Grantor owns real property located in the City of Manistee, Manistee County, Michigan, and described more particularly as follows:

The West 22 feet of Lot 3, Lots 4, 5 and 6, Block 13, Mark S Tyson & Co's Addition to the Village (now City) of Manistee, according to the recorded plat thereof.

(hereafter, the "Property").

The Property is not currently being offered for sale, but Grantor recognizes the possibility that it may be offered for sale at some later date.

Grantee desires to purchase the Property if and when Grantor offers it for sale.

NOW, THEREFORE, In consideration of the payment of \$1.00 and other good and valuable consideration by Grantee to Grantor, receipt of which Grantor acknowledges, Grantor grants to Grantee a right of first refusal with respect to the above described Property, as follows:

1. If Grantor receives from a third party a bona fide offer for the purchase of the Property, or some material part of the Property, which Grantor desires to accept, Grantor shall to provide a complete copy of the offer to Grantee, within five (5) days following receipt of the offer.

2. Grantee shall have thirty (30) days after receiving the notice and a copy of the offer to elect to purchase the entire Property or some material part of the Property on the terms identical to those offered by the third party. The election shall be made by written notice to Grantor at the address set forth, accompanied by a check for \$100.00 to the order of Grantor to be applied to the purchase price. Then within thirty (30) days the parties shall enter into a formal buy and sell agreement which contains all terms and conditions of the original bona fide offer made to Grantor, except as the parties may otherwise mutually agree.

3. If Grantee exercises this right of first refusal and the parties enter into a formal buy and sell agreement, the sale shall be completed within sixty (60) days after Grantee exercises this right of first refusal.

4. If Grantee fails to give notice and to tender the payment as provided in Paragraph 2, or fails to close on the Property within sixty (60) days as provided in Paragraph 3, Grantor shall be relieved of all liability to Grantee under this instrument and may dispose of the Property to the third party on the identical terms as contained in the third party's offer. If the third party fails to close on the Property on the identical terms and conditions, then Grantee's right of first refusal will begin again.

(C-7)

5. Within thirty (30) days of Grantee's exercise of the right to purchase as set forth in this instrument. Grantor shall obtain evidence of marketable title to the Property and submit it to Grantee for examination. Grantee shall have ten (10) days within which to notify Grantor as to any defects or objections to the condition of Grantor's title, based on the written opinion of Grantee's legal counsel. If, prior to the date set for closing, Grantor cannot show satisfactory title, Grantee shall have the option of either: (a) continuing the transaction with any contract modifications as the parties may mutually agree to, or (b) rescinding any contract between the parties. If the contract is rescinded, all amounts paid by Grantee to Grantor shall be returned. Grantee may not object to Grantor's title based on matters appearing in the plat of Mark S. Tyson & Co's Addition, easements of record existing prior to the date of this right of first refusal, or any liens or encumbrances that can and will be released at or before closing, with or without the payment of money.

6. This agreement contains the entire agreement of the parties and there are no prior or contemporaneous oral or written agreements that have not been superceded in their entirety by this agreement. This agreement may not be amended except by another agreement, in writing, and signed by the parties.

7. This agreement may not be assigned by either party except that Grantee may assign this agreement as an appurtenance to the sale of Grantee's adjoining land described in that warranty deed between the parties dated _____, 200____, and recorded at 2007 _____, Manistee County Records.

8. This agreement shall be binding on and inure to the benefit of the parties, their successors, heirs and permitted assigns.

9. This agreement may be recorded with the Manistee County Register of Deeds at the option and expense of the Grantee.

Executed at Manistee, Michigan on the date first written above.

Manistee-Benzie Community Mental Health Services Board

By: _____
Michael Moran
Its: Executive Director

Grantor

Manistee County

By: _____
Its: _____

Grantee

(C-8)

STATE OF MICHIGAN)
) SS.
COUNTY OF MANISTSEE)

On April ____, 2007, before me, a Notary Public in and for said County, personally appeared Michael Moran, Executive Director of Manistee-Benzie Community Mental Health Services Board, a Municipal Corporation, to me known to be the same person described in and who executed the within instrument, who acknowledged the same to be the free act and deed of the Manistee-Benzie Community Mental Health Services Board.

Notary Public, Manistee County, MI
My Commission Expires:

STATE OF MICHIGAN)
) SS.
COUNTY OF MANISTSEE)

On April ____, 2007, before me, a Notary Public in and for said County, personally appeared _____ and _____, to me known to be the same person described in and who executed the within instrument, who acknowledged the same to be the free act and deed of Manistee County.

Notary Public, Manistee County, MI
My Commission Expires:

Drafted by:
GOCKERMAN, WILSON, SAYLOR & HESSLIN, P.C.
BY: RICHARD M. WILSON, JR. (P29717)
Attorneys at Law
414 Water Street
Manistee, MI 49660
(231) 723-8333
H:\Document_HRMWA-ICMI\right-first-refusal.doc

(APPENDIX D-1)

Thomas D. Kaminski

From: "Ruth Meikle" <rmeikle@mbcmh.org>
To: "Tom Kaminski" <tdkaminski@manisteecounty.net>
Sent: Tuesday, April 22, 2008 8:41 AM
Attach: Structural Specialties 042008.pdf
Subject: Building Report

Attached is the Report of structural Condition completed by Structural Specialties. We are asking for the county to pay 50% of the included invoice. If you have any questions please call myself or Jeff.
Thanks.

723-2982

(2-2)



249 RIVER STREET • MANISTEE, MI 49660
PHONE 231-723-2982 • FAX 231-723-3278

INVOICE 07181.1 *ok*

ATTN: Accounts Payable
Manistee Benzie Community Mental Health
310 Glocheski Drive
Manistee, MI 49660

RECEIVED

APR 17 2008

APR 17 2008

April 17, 2008

Invoice for work related to contract 07181 authorized by Mr. Jeff Rose, Acting Director

Travel, Leveling & Photo equipment		\$ 60.00
Labor elevations	24.75 mh @ \$40.00	\$ 990.00
Analysis, report writing, Cad documentation & Budget estimating	16 mh @ \$40.00	\$ 640.00
Total billing		\$1,690.00

x 50% =
\$845

Net due within April 28th, 2008

Thank you for the opportunity to serve you!

Report sent separately direct to Mr. Rose



(A-3)

**Report of structural condition of Manistee Benzie Community
Mental Health Building located at 385 Third Street, Manistee, MI**

Presented to:
Mr. Jeff Rose, Acting Director
Manistee Benzie Community Mental Health
310 North Glocheski Drive
Manistee, MI 49660

RECEIVED

2008

MANISTEE COMMUNITY MENTAL HEALTH

Prepared by:
Jim Johnson, V.P.
Structural Specialties, Inc.
General Contractors
249 River Street
Manistee, MI 49660

April 17, 2008

This review was performed with the intention of determining the extent of the structural settlement, and making a proposed plan for abating said troubles. The investigation was divided into the following parts:

1. Observations in the attic to look at truss structure, looking for movement of trusses, cracks in truss members, etc.
2. Record elevations of the floor and compare them to the elevations taken in 2003.
3. Propose possible abatement solutions.
4. Recommendations.

(D-4)

1. Observations in the attic:

The attic is divided into four spaces, with smoke partitions of 5/8" drywall separating the four areas. Our review began at the east most area. This area is partially above the area which shows the most floor settlement. Four trusses at the west end of this area had 2x10 supports added to the side of the top chord member, in response to earlier concern about the structure. The original top chord was a 2x6 member. The added supports were placed at the direction of CTM Associates of Traverse City, in 2003. These members were connected directly to the 2x6 top chord of the trusses with framing adhesive and then mechanically attached with nails/screws. This left about 4 inches of the new 2x10 member not directly attached. One of the trusses which has this condition shows a crack where the 2x10 member goes from being fully supported to not being supported. See sketch. Our expectation is that this is due to drying shrinkage, not from excess stress. The truss still has twice the original 2x6 member in full contact, in as new condition. We do not see this as a problem, but note it as worthy of mention.

The other three attic spaces showed no cracks, or items of concern. We did note that the smoke screen between the areas had been compromised prior to our entering, and we left the condition as it was, since it was not a structural issue.

(D-5)

2. Elevations recorded and compared to prior elevations:

We have no record of the original floor elevations to determine if they were originally level, or if there was always some minor slope to the floor. There is no question, however, that the floor has moved greatly during the last 10 years. The enclosed plan shows the elevations recorded in 2003 along with the elevations taken recently (2008) to show the comparison over the 5 years since the first elevations were taken. The results show that in the last 4-5 years it has settled an additional one half inch. It would appear that if the floor was originally level that the worst area has dropped a total of 3 inches. This is a concern from two major areas. The first being the discomfort level and trip hazard created by the slope. The second being that the greatest slope is under a main bearing wall. The trusses are supposed to be bearing on said wall, which is now hanging unsupported for a length of about 40 feet. This is a concern which needs to be addressed.

The possible explanations for the settlement are:

- a. First, the current building may have been built over one or two old house foundations. Said foundation may have been knocked down below grade and then filled in. If old basement was not compacted as it was filled in, it may be settling because of the lack of compaction. If this is the case, it is expected that the settling will decrease over time, and at some point stop when the building as reached a level of compaction adequate to bear the load. This would not be the case, however, if rotting or compost materials were used to fill in the basement of a prior structure.
- b. Second, The natural lay of the land slopes downward toward the east. There may have been multiple feet of fill sand placed on the natural grade to bring it up to level. If this is the cause of the settlement, it would not be expected that three feet of sand fill would compact more than 3-5 inches, which would lead us to expect that the settlement would diminish and stop within 5 or 10 years.
- c. Third, Settlement could be caused by improper compaction around sewer lines inside the building, and or a possible leak in the sewer, causing additional settlement. There are sewer lines near the wall in question. Back in 2003, Barney's Sewer & Drain Cleaner had run a sewer camera through to check to see if the sewer was leaking. There was no indication that such was the case. Based on that, we are assuming that the sewer is not causing the problem.

(D-6)

3. Possible Abatement solutions:

Solution A. Remove carpet, place self leveling flooring grout, and re-install new carpeting.

Sequencing of repairs:

- Owner to remove all desks, chairs, movable partitions, file cabinets, etc.
- Remove carpeting in area as required.
- Place self leveling concrete product on existing floor, to bring area up three inches at lowest point.
- Once self leveling concrete has cured. Place new carpeting in said area.
- Owner to haul back in all desks, chairs, movable partitions, file cabinets, etc.

It would be most convenient to do all this work at one time. The work could, however, be done in two phases, one on the north side of the divider wall, and one on the south side of the divider wall, if that made more sense logistically for MBCMH and Public Health Department.

Advantages A: The work area will only have to be vacated for a period of about 1-2 weeks for each side. Cost is much less than option B. The work requires little disruption to areas not directly involved in the repair.

Disadvantages A: The cause of the settlement will remain unknown.

Solution A Budget Costs: \$20,700.

Options to solution A

Repaint area under consideration. This work not required structurally.
Add to budget figure above \$4,190

(D-7)

Solution B. Remove Walls & Concrete floor, hand excavate down to find cause of settlement and make repairs and rebuild.

Sequencing of repairs:

- Owner to remove all desks, chairs, movable partitions, file cabinets, etc.
- Remove carpeting as required.
- Shore up roof and remove interior walls and doors where floor is to be removed.
- Remove concrete floor as required.
- Remove soil in said area to depth of about 4' deep.
- Haul soil out of building by wheel-borrow. If rotting materials are found below 4', continue to excavate until all rotting materials are removed. Then haul in sand, by wheel-borrow, compacting soil in 8" lifts, running compaction tests as work progresses.
- Prepare and pour new concrete slab.
- Re-frame walls which were removed earlier.
- Re-hang doors and frames removed earlier.
- Place new carpeting.
- Owner to haul back in all desks, chairs, movable partitions, file cabinets, etc.

Advantages B: Would make it possible to be more certain of the cause of the problem, and make a more durable repair.

Disadvantages B: Very high cost, six times option A. Work will take minimum of 6 weeks, could easily take 10 weeks. Work will be noisy with jack hammers and high speed diamond saw blades. Compaction will need to be done with equipment which will run on gasoline engines, putting exhaust into the air. The entire building will be effected by the noise, vibration and exhaust during construction. Entire area would need to be done at the same time.

Solution B Budget Costs: \$120,000.

Options Repair area under consideration \$7,500.

(D-8)

Solution C

It would be possible to place two galvanized double helix earth anchors at the exterior wall on the South East corner of the building, where there is sign of slight settlement. The corner soil has been removed for the placement of the barrier free egress on the east side of the building. It is expected that the excavation for the ramp has caused the foundation to be more exposed to the frost action than is normally acceptable. The earth anchors would help stabilize from further settlement.

Budget cost C: \$10,000 to \$12,000.

Advantages C: This work could help to stabilize the corner from further dropping down. It will not be of much help if the corner is freezing in the winter and the clay below the footings is heaving upward.

Disadvantages C: Current status does not necessitate immediate action as it is not causing any imminent threat. Cost of repair is substantial compared to the protection received.

Solution D

The corner soil has been removed for the placement of the barrier free egress on the east side of the building. It is expected that the excavation for the ramp has caused the foundation to be more exposed to the frost action than is normally acceptable. Remove east 10 to 12 feet of egress ramp at south east corner of building. Hand excavate under the existing footings to get support to depth of 3'-4" below the exposed grade. Pour new concrete footing/wall underneath the existing footing. Replace excavated soil, and reinstall ramp, at the exterior wall on the south east corner of the building, where there is sign of slight settlement.

Budget cost C: \$12,000 - \$15,000.

Advantages D: This work should help to stabilize the corner against further settlement and heaving soil in winter.

Disadvantages D: Current status does not necessitate immediate action as it is not causing any imminent threat. Cost of repair is substantial compared to the protection received.

(D-9)

4. Recommendations.

We recommend going with abatement solution 3A as the least costly and yet effective means of abating the major problem.

Rationale: If the building continues to settle at the same rate it has for the last 4 years, it would take 8 years to settle one inch. It is possible that the settling is almost complete and may not settle much more. If the building does settle another inch and the process had to be repeated, it would still cost far less than option 3B. We make our recommendation on our best judgement. It is no guarantee. We make it based on the costs for construction. This does not take into consideration the cost of moving desks, supplies, movable partitions, nor for finding alternate work spaces for employees, and the disruption of services to the community.

We do not have a strong recommendation regarding the South east corner. If it is determined to make repairs at said corner, we would recommend option D as giving better protection.

Miscellaneous notes and considerations:

We have not priced drywall repairs where minor cracks have appeared above door and window openings. This work could be done when building interiors are repainted by owner at later date if desired.

We were able to locate a copy of the original bid drawings from the construction in 1986. The drawings are not very detailed, but they do show a footing underneath the interior bearing wall under which the floor has settling so severely. It was our hope that the drawings might indicate whether or not old buildings were demolished in order to build the current building. Nothing is shown on the site plan to indicate anything related to demolition of old buildings or amount of fill brought in prior to the work in 1986. Although our firm bid on the original building, we did not construct the building. We did do remodeling on the building prior to MBCMH using it as an office building.

This report is generated by a general contractor. This is our professional opinion on the state of the building. This review was made by Dave Johnson, and James Johnson, who have over 50 years of combined experience in the construction field.

Respectfully Submitted by

Jim Johnson, V.P

Attachments: Record of elevations taken in 2003 with elevations taken in 2008 shown adjacent to old elevations

(D-10)

SPLIT - LOCATION - DOES NOT SHOW
IN PHOTO
SEE SKETCH



(D-11)

STRUCTURAL SPECIALTIES

240 RIVER STREET • MANISTEE, MICHIGAN 49660

Phone (231) 723-2082 • Fax (231) 723-3278

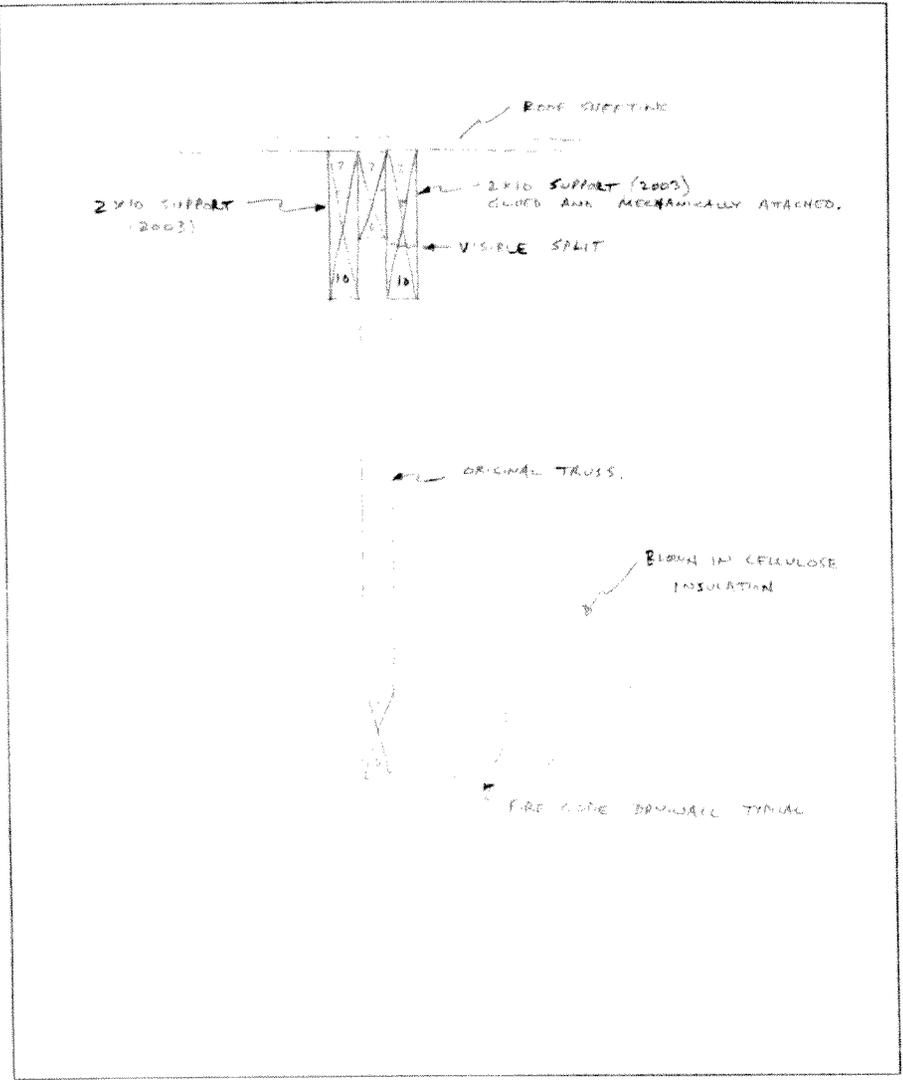
NO. MBCMH 08121

SHEET NO. _____ OF _____

CALCULATED BY _____ DATE 4-8-08

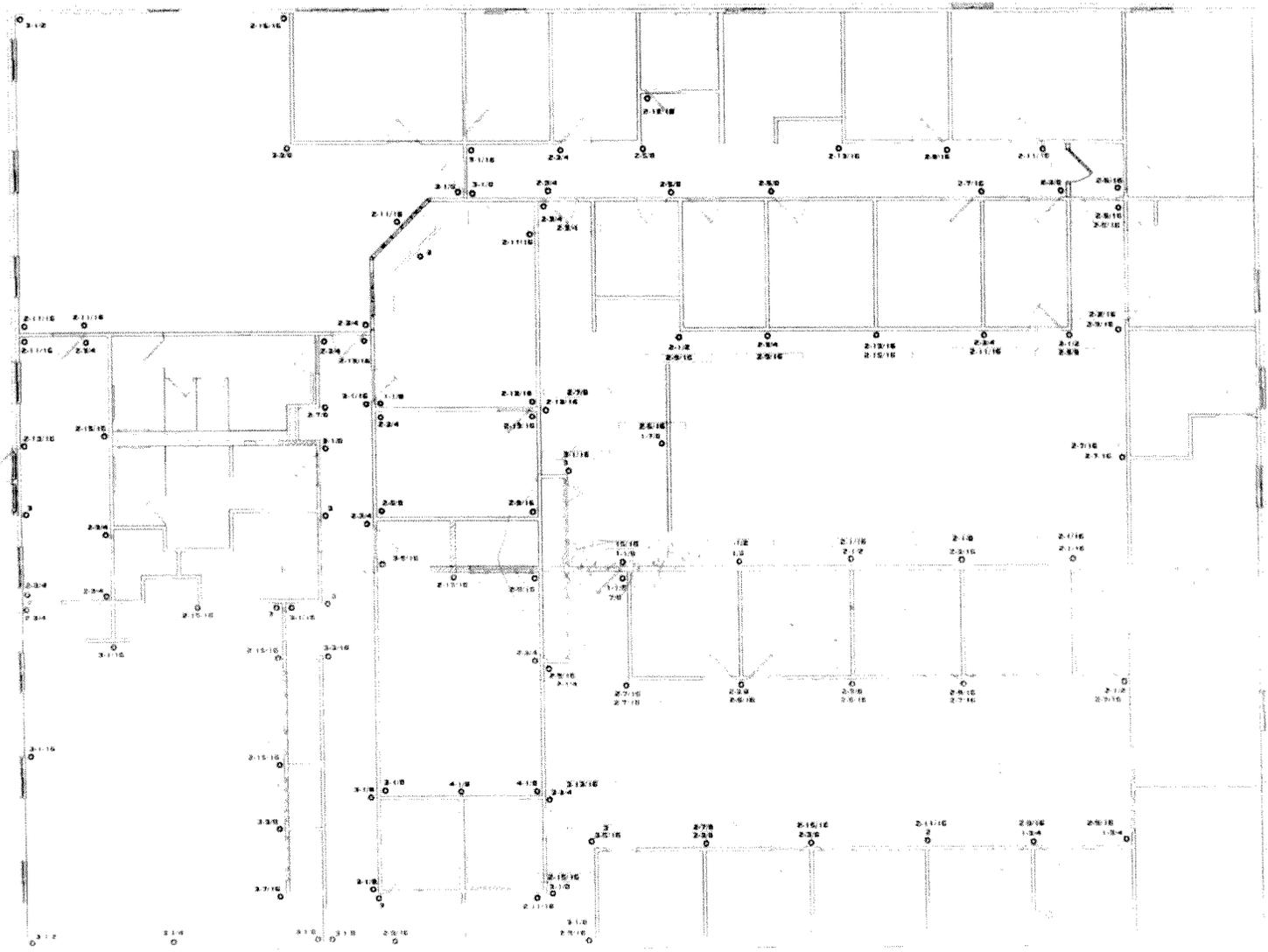
CHECKED BY JAJ DATE _____

SCALE _____



0 1 2 3 4 5 6 7 8 9

(D-12)



LEGEND

- ELEVATION POINT
- 2-5:16 13:103 ELEVATIONS
- 2-6:16 2:25:08 ELEVATIONS

S-2

Public Health/CMH

195/044
100 1st St
15th Fl
15th Fl

STRUCTURAL SPECIALTIES
GENERAL CONTRACTORS