

Act No. 374
Public Acts of 2010
Approved by the Governor
December 22, 2010
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December 22, 2010
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STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2010

Introduced by Senators George and Gleason

ENROLLED SENATE BILL No. 1558

AN ACT to authorize the state administrative board to convey certain state-owned property in Genesee county; to prescribe conditions for the conveyance; to provide for certain powers and duties of certain state departments in regard to the property; and to provide for disposition of revenue derived from the conveyance.

The People of the State of Michigan enact:

Sec. 1. (1) The state administrative board, on behalf of the state, may convey by quitclaim deed all or portions of certain state-owned property now under the jurisdiction of the department of education, commonly known as school for the deaf, and located in the city of Flint, county of Genesee, Michigan, and more particularly described as follows:

PARCEL 1

A parcel of land located in Sections 8 and 9 of Indian Reservation of 11 Sections at The Grand Traverse on Flint River, City of Flint, Genesee County, Michigan; the surveyed boundary being described as Commencing at the Southwest corner of Section 24, Town 7 North, Range 6 East, City of Flint, Genesee County, Michigan; thence North 89°32'40" East along the South line of said Section 24 a distance of 946.72 feet; thence North 00°27'20" West perpendicular to the South line of said Section 24 a distance of 5,249.20 feet to the Northeast corner of The Plat of Woodcroft No. 1 as recorded in Liber 8, Pages 34-36 of Genesee County Records; thence South 21°28'40" East (recorded South 20°37'00" East) along the Easterly line of said Woodcroft No. 1 a distance of 50.78 feet to the Southerly right of way line of Miller Road; thence North 58°29'55" East along the Southerly right of way line of Miller Road (recorded as North 58°51'00" East) a distance of 304.66 feet to the Easterly right of way line of Hammerberg Road and the point of beginning of this description; thence South 21°35'20" East along the Easterly line of Hammerberg Road (recorded South 21°07'00" East) a distance of 1150.36 feet; thence North 58°19'10" East a distance of 980.29 feet; thence North 50°35'15" East a distance of 217.02 feet; thence North 83°13'45" East a distance of 16.81'; thence North 02°55'00" West a distance of 21.62 feet; thence North 12°38'30" West a distance of 54.56 feet; thence North 22°32'00" West a distance of 144.46 feet; thence North 00°57'35" East a distance of 65.50 feet; thence North 09°38'00" East a distance of 64.53 feet; thence North 12°15'20" East a distance of 38.60 feet; thence on a non-tangent curve to the right a distance of 71.75 feet, said curve having a central angle of 20°33'14", a radius of 200.00 feet, a chord of 71.36 feet bearing North 22°19'20" East; thence North 38°38'05" East a distance of 128.98 feet; thence North 45°27'15" East a distance of 91.14 feet; thence North 53°20'00" East a distance of 116.37 feet; thence North 21°12'15" East a distance of 46.87 feet; thence North 46°13'40" East a distance of 161.79 feet; thence North 82°23'50" East a distance of 95.46 feet; thence South 69°44'00" East distance of 82.39 feet; thence South 49°58'35" East a distance of 117.53 feet; thence North 73°41'15" East a distance of 104.52 feet; thence South 67°27'45" East a distance of 58.44 feet; thence on a non-tangent curve to the left a distance of 72.42 feet, said curve having a central angle of 23°42'32", a radius of 175.00 feet, a chord of 71.90 feet bearing South 80°57'30" East; thence North 87°47'40" East a distance of 28.22 feet; thence North 52°53'30" East a distance of 75.71 feet; thence on a non-tangent curve to the left a distance of 129.04 feet, said curve having a central

angle of 49°17'21", a radius of 150.00 feet, a chord of 125.10 feet bearing North 28°51'20" East; thence North 07°13'25" East a distance of 92.16 feet; thence North 01°22'00" East a distance of 22.55 feet; thence North 03°00'45" West a distance of 88.50 feet thence North 07°43'45" East a distance of 66.36 feet; thence North 25°24'15" West a distance of 44.43 feet; thence on a non-tangent curve to the right a distance of 69.55 feet, said curve having a central angle of 49°48'33", a radius of 80.00 feet, a chord of 67.38 feet bearing North 22°31'00" East; thence South 72°39'00" East a distance of 53.51 feet; thence North 43°01'10" East a distance of 42.54 feet; thence North 20°45'40" East a distance of 44.59 feet; thence North 09°05'35" East a distance of 35.35 feet; thence North 21°02'35" East a distance of 63.16 feet; thence North 29°01'30" East a distance of 18.38 feet; thence North 17°03'10" East a distance of 25.95 feet; thence North 22°18'55" East a distance of 67.21 feet; thence North 28°24'35" East a distance of 66.38 feet; thence North 45°31'25" East a distance of 62.69 feet to a point on the Westerly line of the Fenton and Bishop's Plat of Outlots as recorded in Liber 14, Page 38 of Plats, Genesee County Records; thence North 21°32'22" West along said Westerly line a distance of 394.56 feet to a point on the Southerly right of way line of Court Street; thence South 58°28'55" West along the Southerly right of way line of Court Street (recorded South 58°50'00" West) a distance of 116.00 feet; thence South 31°31'05" East perpendicular to the Southerly right of way line of Court Street a distance of 343.24 feet; thence South 21°37'55" West a distance of 186.15 feet; thence North 44°41'55" West a distance of 154.71 feet; thence South 60°59'50" West a distance of 28.99 feet; thence North 59°50'20" West a distance of 70.27 feet; thence North 31°51'45" West a distance of 291.12 feet to a point on the Southerly right of way line of Court Street; thence South 58°28'55" West along the Southerly line of Court Street a distance of 66.34 feet; thence North 89°53'35" West along the Southerly line of Court Street (recorded North 89°32'30" West) a distance of 827.56 feet; thence South 51°15'25" West along the Southerly right of way line of Miller Road (recorded South 51°36'30" West) a distance of 144.67 feet; thence on a curve to the left along the Southerly right of way line of Miller Road a distance of 318.36 feet, said curve having a central angle of 31°03'37", a radius of 587.27 feet a chord of 314.48 feet bearing South 35°43'40" West (recorded South 36°04'45" West); thence South 20°11'55" West along the Southerly right of way line of Miller Road a distance of 244.83 feet (recorded South 20°33'00" West 244.83 feet); thence on a curve to the right along the Southerly right of way line of Miller Road a distance of 459.42 feet, said curve having a central angle of 38°18'00", a radius of 687.27 feet, a chord of 450.91 feet bearing South 39°20'55" West (recorded South 39°42'00" West); thence South 58°29'55" West a distance of 807.72 feet (recorded South 58°51'00" West) to the point of beginning of this description.

Appurtenant to said parcel is an easement for purposes of ingress and egress more particularly described as: A parcel of land located in Section 8 of Indian Reservation of 11 Sections at The Grand Traverse on Flint River, City of Flint, Genesee County, Michigan; the surveyed boundary being described as Commencing at the Southwest corner of Section 24, Town 7 North, Range 6 East, City of Flint, Genesee County, Michigan; thence North 89°32'40" East along the South line of said Section 24 a distance of 946.72 feet; thence North 00°27'20" West perpendicular to the South line of said Section 24 a distance of 5,249.20 feet to the Northeast corner of The Plat of Woodcroft No. 1 as recorded in Liber 8, Pages 34-36 of Genesee County Records; thence North 58°29'55" East a distance of 1103.54 feet along the centerline of Miller Road as established by the Michigan Department of Transportation (recorded as North 58°51'00" East, 1103.54 feet); thence continuing along said centerline on a curve to the left 426.00 feet, said curve having a central angle of 38°18'00", a radius of 637.27 feet, a chord of 418.11 feet bearing North 39°20'55" East (recorded as radius of 637.27 feet, chord 418.10 feet bearing North 39°42'00" East); thence North 20°11'55" East continuing along said centerline a distance of 244.83 feet (recorded as North 20°33'00" East 244.83 feet); thence continuing on said centerline on a curve to the right 345.46 feet, said curve having a central angle of 31°03'35", a radius of 637.27 feet, a chord of 341.25 feet bearing North 35°43'40" East (recorded as radius of 637.27 feet, chord 341.23 feet bearing North 36°04'45" East); thence North 51°15'25" East continuing along said centerline a distance of 162.30 feet (recorded as North 51°36'30" East 158.66 feet) to a point on the centerline of Court Street as established by the Michigan Department of Transportation; thence South 89°53'35" East along the centerline of said Court Street a distance of 831.03 feet (recorded as South 89°32'30" East 837.65 feet); thence North 58°28'55" East along the centerline of said Court Street a distance of 52.18 feet (recorded as North 58°50'00" East); thence South 31°51'45" East a distance of 291.12 feet (recorded South 31°10'00" East); thence South 59°50'20" East a distance of 70.27 feet (recorded as South 59°08'34" East 70.27 feet); thence North 60°59'50" East a distance of 28.99 feet (recorded as North 61°41'37" East 28.99 feet); thence South 44°41'55" East a distance of 12.98 feet (recorded as South 44°00'10" East 12.98 feet) to the place of beginning of this easement description; said easement being 25 feet in width being 12.5 feet each side of the following described centerline; thence South 60°59'50" West a distance of 39.60 feet (recorded as South 61°41'37" West 39.60 feet); thence North 59°50'20" West a distance of 170.43 feet (recorded as North 59°08'34" West 170.43 feet); thence on a curve to the left a distance of 53.88 feet, said curve having a central angle of 61°44'28", a radius of 50.00 feet, a chord of 51.31 feet bearing South 89°17'25" West (recorded as a curve with a radius of 50.00 feet with a chord of 51.31 feet bearing South 89°59'08" West); thence South 58°25'05" West a distance of 112.72 feet (recorded as South 59°06'51" West 112.72 feet) to the place of ending.

Said parcel also subject to an easement for ingress and egress more particularly described as a parcel of land located in Section 8 of Indian Reservation of 11 Sections at The Grand Traverse on Flint River, City of Flint, Genesee County, Michigan; the surveyed boundary being described as Commencing at the Southwest corner of Section 24, Town 7 North, Range 6 East, City of Flint, Genesee County, Michigan; thence North 89°32'40" East along the South line of said Section 24 a distance of 946.72 feet; thence North 00°27'20" West perpendicular to the South line of said Section 24 a distance of 5,249.20 feet to the Northeast corner of The Plat of Woodcroft No. 1 as recorded in Liber 8, Pages 34-36 of

Genesee County Records; thence North 58°29'55" East a distance of 1103.54 feet along the centerline of Miller Road as established by the Michigan Department of Transportation (recorded as North 58°51'00" East, 1103.54 feet); thence continuing along said centerline on a curve to the left 426.00 feet, said curve having a central angle of 38°18'00", a radius of 637.27 feet, a chord of 418.11 feet bearing North 39°20'55" East (recorded as radius of 637.27 feet, chord 418.10 feet bearing North 39°42'00" East); thence North 20°11'55" East continuing along said centerline a distance of 244.83 feet (recorded as North 20°33'00" East 244.83 feet); thence continuing on said centerline on a curve to the right 345.46 feet, said curve having a central angle of 31°03'35", a radius of 637.27 feet, a chord of 341.25 feet bearing North 35°43'40" East (recorded as radius of 637.27 feet, chord 341.23 feet bearing North 36°04'45" East); thence North 51°15'25" East continuing along said centerline a distance of 162.30 feet (recorded as North 51°36'30" East 158.66 feet) to a point on the centerline of Court Street as established by the Michigan Department of Transportation; thence South 89°53'35" East along the centerline of said Court Street a distance of 730.58 feet (recorded as South 89°32'30" East 737.07 feet) to the point of beginning of this easement description, said easement being 25 feet in width being 12.5 feet each side of following described centerline; thence South 00°14'15" East a distance of 57.31 feet (recorded as South 00°27'30" West 60.00 feet); thence South 17°03'30" East a distance of 176.42 feet (recorded as South 16°21'46" East 176.42 feet); thence South 00°08'30" East a distance of 223.22 feet (recorded as South 00°33'18" West 223.22 feet) to the point of ending of this centerline description.

PARCEL 2

Property commonly referred to as Brown Hall described as follows: A parcel of land located in Section 8 of Indian Reservation of 11 Sections at near The Grand Traverse on Flint River, City of Flint, Genesee County, Michigan; the surveyed boundary being described as commencing at the Southwest corner of Section 24, Town 7 North, Range 6 East, City of Flint, Genesee County, Michigan; thence North 89°32'40" East along the South line of said Section 24 a distance of 946.72 feet; thence North 00°27'20" West perpendicular to the South line of said Section 24 a distance of 5,249.20 feet to the Northeast corner of The Plat of Woodcroft No. 1 as recorded in Liber 8, Pages 34-36 of Genesee County Records; thence North 58°29'55" East a distance of 1,103.54 feet along the centerline of Miller Road as established by the Michigan Department of Transportation (recorded as North 58°51'00" East, 1,103.54 feet); thence continuing along said centerline on a curve to the left 426.00 feet, said curve having a central angle of 38°18'00", a radius of 637.27 feet, a chord of 418.11 feet bearing North 39°20'55" East (recorded as radius of 637.27 feet, chord 418.10 feet bearing North 39°42'00" East); thence North 20°11'55" East continuing along said centerline a distance of 244.83 feet (recorded as North 20°33'00" East 244.83 feet); thence continuing on said centerline on a curve to the right 345.46 feet, said curve having a central angle of 31°03'35", a radius of 637.27 feet, a chord of 341.25 feet bearing North 35°43'40" East (recorded as radius of 637.27 feet, chord 341.23 feet bearing North 36°04'45" East); thence North 51°15'25" East continuing along said centerline a distance of 162.30 feet (recorded as North 51°36'30" East 158.66 feet) to a point on the centerline of Court Street as established by the Michigan Department of Transportation; thence South 89°53'35" East along the centerline of said Court Street a distance of 831.03 feet (recorded as South 89°32'30" East 837.65 feet); thence North 58°28'55" East along the centerline of said Court Street a distance of 52.18 feet (recorded as North 58°50'00" East); thence South 31°51'45" East a distance of 50.00 feet to the Southerly right of way line of Court Street and the point of beginning of his description; thence North 58°28'55" East along the Southerly line of Court Street (recorded as North 58°50'00" East) a distance of 248.00 feet; thence South 31°31'05" East perpendicular to the Southerly right of way line of Court Street a distance of 343.24 feet; thence South 21°37'55" West a distance of 186.15 feet; thence North 44°41'55" West a distance of 154.71 feet (recorded as North 44°00'10" West 154.71 feet); thence South 60°59'50" West a distance of 28.99 feet (recorded as South 61°41'37" West 28.99 feet); thence North 59°50'20" West a distance of 70.27 feet (recorded as North 59°08'34" West 70.27 feet); thence North 31°51'45" West a distance of 241.12 feet (recorded as North 31°10'00" West) to the point of the beginning; said parcel containing 2.086 acres.

PARCEL 3

Property commonly referred to as Happy Hollow described as follows: A parcel of land located in part of Sections 8 & 9 of Indian Reservation of Eleven Sections at and Near the Grand Traverse on Flint River Described as: Commencing at the Southwest Corner of section 24, T7N, R6E; thence North 89°32'40" East along the south line of said section 24, 1684.47 feet; thence North 00°27'20" West perpendicular to the south line of said section 24, 4172.06 feet to a point on the northerly right-of-way line of limited access Highway I-69 at the intersection of the easterly right-of-way line of Hammerberg Road and point of beginning of this description; thence North 21°28'00" West along the easterly line of Hammerberg Road, 122.00 feet; thence North 58°19'10" East, 980.29 feet; thence North 50°35'15" East, 217.02 feet; thence North 83°13'45" East, 16.81 feet; thence North 02°55'00" West, 21.62 feet; thence North 12°38'30" West, 54.56 feet; thence North 22°32'00" West, 144.46 feet; thence North 00°57'35" East, 65.50 feet; thence North 09°38'00" East, 64.53 feet; thence North 12°15'20" East, 38.60 feet; thence on a non-tangent curve to the right 71.75 feet; said curve having a central angle of 20°33'14" section, a radius of 200.00 feet, a chord of 71.36 feet, bearing North 22°19'20" East; thence North 38°38'05" East, 128.98 feet; thence North 45°27'15" East, 91.14 feet; thence North 53°20'00" East, 116.37 feet; thence North 21°12'15" East, 46.87 feet; thence North 46°13'40" East, 161.79 feet; thence North 82°23'50" East, 95.46 feet; thence South 69°44'00" East, 82.39 feet; thence South 49°58'35" East, 117.53 feet; thence North 73°41'15" East, 104.52 feet; thence South 67°27'45" East, 58.44 feet; thence on a non-tangent curve to the left 72.42 feet, said curve having a central

angle of 23°42'32", a radius of 175.00 feet, a chord of 71.90 feet, bearing South 80°57'30" East; thence North 87°47'40" East, 28.22 feet; thence North 52°53'30" East, 75.71 feet; thence on a non-tangent curve to the left 129.04 feet, said curve having a central angle of 49°17'21", a radius of 150.00 feet, a chord of 125.10 feet bearing North 28°51'20" East; thence North 07°13'25" East, 92.16 feet; thence North 01°22'00" East, 22.55 feet; thence North 03°00'45" West, 88.50 feet; thence North 07°43'45" East, 66.36 feet; thence North 25°24'15" West, 44.43 feet; thence on a non-tangent curve to the right 69.55 feet, said curve having a central angle of 49°48'33", a radius of 80.00 feet, a chord of 67.38 feet, bearing North 22°31'00" East; thence South 72°39'00" East, 53.51 feet; thence North 43°01'10" East, 42.54 feet; thence North 20°45'40" East 44.59 feet; thence North 09°05'35" East, 35.35 feet; thence North 21°02'35" East, 63.16 feet; thence North 29°01'30" East, 18.38 feet; thence North 17°03'10" East, 25.95 feet; thence North 22°18'55" East, 67.21 feet; thence North 28°24'35" East, 66.38 feet; thence North 45°31'25" East, 62.69 feet to a point on the westerly line of FENTON & BISHOP'S PLAT OF OUTLOTS; thence South 21°32'20" East along said westerly line, 206.27 feet; thence South 15°46'40" West, 135.65 feet; thence South 49°04'20" East, 114.55 feet; thence South 23°03'00" East, 102.31 feet; thence South 12°03'20" East, 182.96 feet; thence South 14°25'30" West, 122.84 feet; thence South 57°01'55" West, 39.82 feet; thence South 23°10'20" West, 63.88 feet; thence South 21°12'45" East along the westerly line of Michigan DOT Draining right-of-way, 560.00 feet to the northerly right-of-way of Highway I-69; thence South 68°47'15" West along the northerly right-of-way of Highway I-69, 610.97 feet; thence South 61°41'12" West along the northerly right-of-way of Highway I-69, 534.91 feet; thence South 21°28'05" East along the northerly right-of-way of Highway I-69, 40.29 feet; thence South 61°41'12" West along the northerly right-of-way of Highway I-69, 50.36 feet; thence North 21°28'05" West along the northerly right-of-way of Highway I-69, 113.31 feet; thence South 68°31'55" West along the northerly right-of-way of Highway I-69, 1539.58 feet to the point of beginning of this description.

(2) The description of the property in subsection (1) is approximate and, for purposes of the conveyance, is subject to adjustments as the state administrative board or the attorney general considers necessary by survey or other legal description.

(3) The property described in subsection (1) shall only include surplus, salvage, and scrap property or equipment identified by the department of education and school for the deaf as being included.

(4) The fair market value of the property described in subsection (1) shall be determined by an appraisal prepared for the department of technology, management, and budget by an independent appraiser.

(5) Subject to subsection (6), the director of the department of technology, management, and budget shall take the necessary steps to prepare to convey the property described in subsection (1) using any of the following at any time:

(a) Competitive bidding designed to realize the best value to the state, as determined by the department of technology, management, and budget.

(b) A public auction designed to realize the best value to the state, as determined by the department of technology, management, and budget.

(c) Real estate brokerage services designed to realize the best value to the state, as determined by the department of technology, management, and budget.

(d) A value-for-value conveyance negotiated by the department of technology, management, and budget designed to realize the best value to the state. In determining whether value-for-value consideration for the property represents the best value, the department may consider the fair market value or the total value based on any positive economic impact to the state likely to be generated by the proposed use of the property, especially economic impact resulting in the creation of jobs or increased capital investment in the state.

(e) Offering the property for sale for fair market value to a local unit or units of government.

(f) Offering the property for sale for less than fair market value to a local unit or units of government, subject to subsection (9).

(g) Transferring or conveying the property to the land bank fast track authority established under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for an amount of consideration the director considers proper, fair, and valuable, including a transfer or conveyance for no monetary consideration.

(6) Before offering the property described in section 1 for public sale, the director of the department of technology, management, and budget shall first offer the property described in subsection (1), or any portion of that property, to Lurvey White Ventures 1, LLC for consideration of not less than \$1,300,000.00, for the construction and renovation of a new school for the deaf, subject to subsection (7). Lurvey White Ventures 1, LLC shall have the first right to purchase the property for a period of 180 days after the effective date of this act. Conveyance of any portion of the property to Lurvey White Ventures 1, LLC shall be subject to the conditions prescribed in subsection (7) and is contingent upon Lurvey White Ventures 1, LLC entering into lease number 11530 with the state for possession of a portion of the property of approximately 120,000 usable square feet of space, with an initial annual base rent not to exceed \$2,060,000.00 for the department of education for the purpose of providing school facilities for educating the deaf.

(7) Any conveyance of the property to Lurvey White Ventures 1, LLC authorized by subsection (6) shall provide for all of the following:

(a) The property shall continue to be used exclusively for education or education-related purposes.

(b) Lurvey White Ventures 1, LLC shall reimburse the state for requested costs necessary to prepare the property for conveyance.

(c) The property shall be developed according to proposed and approved specifications of the school for the deaf presented to the department of technology, management, and budget, within 1 year of the effective date of this legislation.

(d) Proof shall be provided to the department of technology, management, and budget of the financial ability to complete the project as proposed.

(e) Proposed project construction and occupancy must be completed within 3 years of the effective date of this act.

(f) In the event of an activity inconsistent with subdivision (a), (c), (d), or (e), the state may reenter and repossess the property, terminating the grantee's or successor's estate in the property.

(g) If the grantee or successor disputes the state's exercise of its right of reentry and fails to promptly deliver possession of the property to the state, the attorney general, on behalf of the state, may bring an action to quiet title to, and regain possession of, the property.

(h) If the state reenters and repossesses the property, the state shall not be liable to reimburse any party for any improvements made on the property.

(8) If the property is conveyed to Lurvey White Ventures 1, LLC according to subsection (6), and if Lurvey White Ventures 1, LLC intends to convey the property within 7 years after the conveyance from the state, Lurvey White Ventures 1, LLC shall provide notice to the department of technology, management, and budget of its intent to offer the property for sale. The department of technology, management, and budget shall retain a right to first purchase the property, or any portion of the property being offered, at the original sale price, or if a partition of the property is being offered, the prorated sale price, within 90 days of the notice. If the state waives its first refusal right, Lurvey White Ventures 1, LLC shall pay to the state 40% of the difference between the sale price of the conveyance from the state and the sale price of the subsequent sale or sales to a third party.

(9) Any conveyance for less than fair market value authorized by subsection (5)(f) shall provide for all of the following:

(a) The property shall be used exclusively for public purposes and if any fee, term, or condition for the use of the property is imposed on members of the public, or if any of those fees, terms, or conditions are waived for use of this property, all members of the public shall be subject to the same fees, terms, conditions, and waivers.

(b) In the event of an activity inconsistent with subdivision (a), the state may reenter and repossess the property, terminating the grantee's or successor's estate in the property.

(c) If the grantee or successor disputes the state's exercise of its right of reentry and fails to promptly deliver possession of the property to the state, the attorney general, on behalf of the state, may bring an action to quiet title to, and regain possession of, the property.

(d) If the state reenters and repossesses the property, the state shall not be liable to reimburse any party for any improvements made on the property.

(e) The grantee shall reimburse the state for requested costs necessary to prepare the property for conveyance.

(f) If the local unit of government grantee intends to convey the property, or any portion of the property, within 7 years after the conveyance from the state, the grantee shall provide notice to the department of technology, management, and budget of its intent to offer the property for sale. The department of technology, management, and budget shall retain a right to first purchase the property at the original sale price, or if a partition of the property is being offered, the prorated sale price, within 90 days after the notice. In the event that the state waives its first refusal right, the local unit of government shall pay to the state 40% of the difference between the sale price of the conveyance from the state and the sale price of the local unit's subsequent sale or sales to a third party.

(10) The department of attorney general shall approve as to legal form the quitclaim deed authorized by this section.

(11) The state shall not reserve oil, gas, or mineral rights to the property conveyed under this section. However, the conveyance authorized under this section shall provide that, if the purchaser or any grantee develops any oil, gas, or minerals found on, within, or under the conveyed property, the purchaser or any grantee shall pay the state 50% of the gross revenue generated from the development of the oil, gas, or minerals. This payment shall be deposited in the general fund.

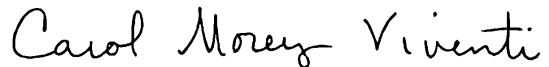
(12) The state reserves all aboriginal antiquities including mounds, earthworks, forts, burial and village sites, mines, or other relics lying on, within, or under the property with power to the state and all others acting under its authority to enter the property for any purpose related to exploring, excavating, and taking away the aboriginal antiquities.

(13) The net revenue received from the sale of property under this section shall be used first to retire outstanding debt financed by the state building authority for the residential facility on the property. Any funds remaining will then be used to reimburse any money that has been financed by the state building authority for special maintenance projects

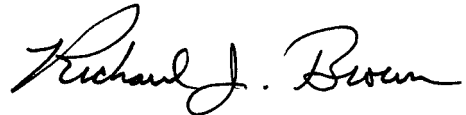
on the property. Any funds remaining shall be deposited in the state treasury and credited to the general fund. As used in this section, "net revenue" means the proceeds from the sale of the property less reimbursement for any costs to the state associated with the sale of property, including, but not limited to, administrative costs, including employee wages, salaries, and benefits; costs of reports and studies and other materials necessary to the preparation of sale; environmental remediation; legal fees; and any litigation related to the conveyance of the property.

(14) Contingent upon the conveyance of the property as authorized in subsection (6) and with the approval of the state administrative board, the department of technology, management, and budget is authorized to enter into a lease for possession of a portion of the property of approximately 120,000 usable square feet of space, with an initial annual base rent not to exceed \$2,060,000.00, for the department of education for the purpose of providing school facilities for educating the deaf. All documents regarding the lease shall be approved as to legal form by the attorney general. The initial lease entered into under this subsection is exempt from the requirement of joint capital outlay subcommittee approval under section 221(3) of the management and budget act, 1984 PA 431, MCL 18.1221.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor