Memorandum of Understanding
(Private Sector Executive Loan Program)

This Memorandum of Understanding ("MOU") is between The Charles Stewart Mott Foundation, a Michigan nonprofit corporation with principal offices located at the Mott Building, 503 S. Saginaw Street, Flint, Michigan 48502 (the "Foundation"), and the State of Michigan, Office of Foundation Liaison (the "Office"), which is located within the Governor's Office. With Karen Aldridge-Eason's ("Eason") full knowledge and approval, the Foundation shall assign Eason, its employee, to serve as a volunteer to the Office, as a part of the Governor's Private Sector Executive Loan Program. As Foundation Liaison to the Governor, Eason shall provide evaluation, advice, and consulting, while remaining an employee of the Foundation. This MOU will confirm the parties' understanding regarding the purpose, scope, and limits of this arrangement.

This MOU is a part of an initiative spearheaded by the Council of Michigan Foundations ("CMF"), which has been instrumental in defining the Office and the position of Foundation Liaison ("Liaison"). CMF, with the financial support of its members, is supporting this initiative financially by providing a program associate and one-half of the time of a Public Policy Fellow to the Office, paying certain expenses of the Office and reimbursing the Foundation for a portion of Eason's compensation. CMF also assists in defining the Liaison's objectives, suggesting strategies, and evaluation of Eason. CMF is neither Eason's employer nor a party to this MOU. CMF's obligations to the State are embodied in its Memorandum of Understanding with the State. CMF's obligations to the Foundation are embodied in its Memorandum of Understanding with the Foundation.

1. In response to Michigan Governor Rick Snyder's request to maintain a Private Sector Executive Loan Program to support the State of Michigan, the Foundation and Eason have agreed that Eason will volunteer her services as Liaison to the Office at no cost to the Office or the State of Michigan.

2. Eason shall act in the capacity of a volunteer as defined by MCL 691.1401(h) when providing the services described in this MOU. Ms. Aldridge-Eason, as the principal staff of the OFL, will have access to the Governor and Cabinet Members comparable to other senior level executive office staff. She will also have access to meetings of the Group Executives and Cabinet Meetings as appropriate in order to accomplish the purpose of the OFL.

3. Eason will serve as Foundation Liaison for the Office of the Foundation Liaison to the Governor. The functions and activities of the Liaison will be amended as the Governor and the Director of Strategy for the Governor identify the priorities of the Administration. However, as a starting point the following four initial objectives are identified:

    - **To increase state officials' understanding of philanthropy and to identify opportunities for partnering with state government.** The Liaison will work with the Governor's staff, appropriate State agencies, and selected members of the

Legislature to increase the understanding and identification of opportunities for philanthropy and Michigan's public sector.

- **To support models that improve efficiency and/or effectiveness of State government.** The Liaison will provide information and technical support to State officials to develop relationships with state and national grant makers concerning program models for continuous improvement of the operation of State programs that support the Governor's strategic policy priorities. The Liaison also will develop processes for communicating matching fund requirements of federal grant initiatives to grant-making foundations and other funding agencies.

- **To respond to opportunities for new local and regional public-private partnerships to serve populations in the implementation of government programs.** The Liaison will utilize the considerable experience of foundations and public-private partnerships that already exist to identify such models. The Liaison will also work to bring together private partners who would support initiatives to make more efficient use of state funds and state-administered funds in local communities.

- **To attract new national grants and federal funds to Michigan.** The Liaison will assist the nonprofit community, private foundations, and appropriate state offices to attract new resources, including federal grants, especially in the public-private relationships that may be created.

4. Eason will serve as Liaison at the pleasure of the Governor, except as limited by 7(c) below. The Liaison will be provided specific assignments and the State's job expectations, requirements, and limitations, and the Liaison's specific duties and work performance will be monitored by the Director of Strategy of the Governor's Office. In partnership with the Director of Strategy for the Governor, CMF will provide periodic evaluations of the Liaison's work to the foundations funding the Office.

   The Liaison will primarily work with the Group Executives handling People, Quality of Life and Public Safety and the appropriate cabinet/department heads responsible for human services, health, education, parks and recreation and corrections. The OFL will also coordinate efforts with the proposed Office of Urban and Regional Initiatives governed by a similar MOU and work closely with the Group Executive and appropriate cabinet/department heads responsible for economic development and related functions.

5. Eason has been asked to serve as Liaison because of her knowledge of philanthropy, state government, and the grant making process. It is expected that her work will create and enhance relationships between the foundation community and state government.

6. Eason may also participate in a cross-agency review of other private sector loaned executive activities.

7. Term; Early Termination Provisions.

    a. This initiative will be in effect on January 1, 2011, through December 31, 2014, and may be extended for a three-month period or longer by mutual consent of the parties.

    b. This MOU may be terminated at any time by the State with 30 days written notice to the Foundation and CMF.

    c. This MOU also can be terminated at any time by the Foundation with 30 days written notice for any reason. In addition, this MOU can be terminated if:

        i. Eason voluntarily resigns.

        ii. Eason should become disabled, as determined under the Foundation Long Term Disability Plan.

8. Eason is volunteering services and will not be paid by the Office or the State of Michigan for these services. It is further understood that the Foundation will continue to compensate Eason as its employee while participating in the Private Sector Executive Loan Program. Eason will be assigned by the Foundation on a full-time basis to the program. The Office is not the employer of Eason and she is not a state employee for any purposes including, but not limited to, retirement, workers' compensation, unemployment compensation, hospitalization, health, or disability benefits.

9. CMF will compensate Eason for certain travel, meal, and other expenses incurred while serving as a volunteer to the Office, in accordance with CMF's contract with the Foundation. If authorized in advance by CMF, CMF shall pay certain business expenses, and limited travel expenses, either by reimbursing the Liaison or paying the expenses directly, upon receipt of proper written request and substantiation, consistent with existing CMF expense reimbursement policies. CMF shall provide the Foundation with a set of expense reimbursement guidelines for the Liaison position.

10. The State will provide Eason with office space and support items for MOU-related services, including computer system access, telephone support and office supplies.

11. The Office retains all intellectual property rights to any document or work product developed by Eason. The Office will not be charged or owe payment for any document or work product Eason develops.

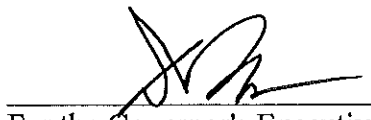
12. Eason's role will be strictly limited to functioning in an advisory capacity. Eason will not be expected to nor will she have authority to make any substantive decisions affecting the operations of the State. The Governor's Office, with support from the Advisory Committee to the Office, will remain responsible for making any and all substantive decisions with respect to evaluation and implementation of recommendations, analysis, or advice provided by Eason.

13. Eason will remain subject to and will adhere to the Foundation's policy with respect to conflicts of interest and representing the Foundation with integrity. Eason will promptly disclose to the Foundation any situation that could result in an actual or potential conflict of interest while serving as Liaison.

14. Eason will adhere to any guidelines provided to her by the Governor's Office regarding conflicts of interest and the reporting of potential conflicts. She will also comply with the Governor's Executive Orders, Executive Directives, Executive Office Policies, and other applicable state policies and work rules, including policies prohibiting discrimination and harassment.

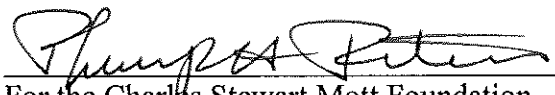
15. Eason will adhere to confidentiality requirements as set forth in Office policy and federal and state laws and regulations. Eason will not divulge information and materials she obtains in connection with her volunteer services provided to the Office, even if not otherwise subject to confidentiality requirements under Office policy or federal or state laws and regulations, without express written authorization by the Governor. In the event authorization is given, Eason will protect and refrain from divulging any information that would identify individuals served by the Office.

Approved:



For the Governor's Executive Office
By: Dennis Muchmore
Its: Chief of Staff

3.21.11
Date



For the Charles Stewart Mott Foundation
By: Phillip H. Peters
Its: VP/Treasurer

3/25/11
Date