CONSENT AGREEMENT

This consent agreement is between WAYNE COUNTY, a Michigan body corporate (the "**County**") and STATE TREASURER N.A. KHOURI, a Michigan state officer (the "**State Treasurer**").

A financial emergency exists within the County under the Local Financial Stability and Choice Act, 2012 PA 436, as amended, MCL 141.1541 to MCL 141.1575 ("**Act 436**"), as detailed in the report provided by the review team appointed for the County under Act 436 (the "**Review Team**").

The legislative authority of the County is vested in a county commission (the "**County Commission**"), which is the legislative body of the County and the governing body of the County under Act 436.

On August 6, 2015, the County Commission adopted a resolution selecting the consent agreement option under section 8 of Act 436 to address the County's financial emergency.

The County's chief executive officer (the "**County Executive**") is the chief administrative officer of the County under Act 436 and therefore may negotiate and sign a consent agreement with the State Treasurer under section 8 of Act 436.

The County Commission, County Executive, and State Treasurer want the County to undertake remedial measures to address the County's financial emergency and provide for the financial stability of the County (the "**Remedial Measures**") to: (1) improve the County's cash position; (2) reduce the underfunded amount needed to pay future pension obligations for participants in the Wayne County Employees Retirement System (the "**WCERS**") and other post-employment benefit ("**OPEB**") commitments; and (3) eliminate the County's $52 million structural deficit.

Actuarial reports indicate that the WCERS is underfunded by $910.5 million, with assets available to cover only approximately 45% of money needed to assure full payment of pension obligations.

As recognized by the Review Team, the County Executive earlier this year estimated the County's unfunded healthcare-related liabilities to be $1.3 billion and that less than 1% of the amount needed to satisfy the liabilities has been set aside.

The parties acknowledge that obligations of the County under employment agreements between the County and its employees or representatives, including both economic and non-economic provisions of those agreements and provisions relating to pensions and OPEB, have contributed to the County's structural deficit.

In the process of undertaking Remedial Measures to address the County's financial emergency the County Commission and the County Executive want to retain their respective authority to exercise power for and on behalf of the County under the County's home rule charter (the "**Charter**") and, thereby, avoid the need for a state-appointed emergency manager.

The parties therefore agree as follows:

1. **Remedial Measures.** (a) The County shall implement the Remedial Measures necessary to address the financial emergency within the County and provide for the financial stability of the County, consistent with the requirements of this agreement. The parties intend the Remedial Measures

to have the objective of assuring that the County is able to provide or cause to be provided governmental services essential to the public health, safety, and welfare and assuring the fiscal accountability of the County.

(b) Unless otherwise inconsistent with this agreement and Act 436:

(1) the County Commission and the County Executive retain their respective authority under the Charter and other applicable law to exercise their respective powers, duties, functions, and responsibilities;

(2) powers, duties, functions, and responsibilities within the exclusive authority of the County Commission or not subject to approval or rejection by the County Executive under the Charter or applicable law remain within the exclusive authority of the County Commission; and

(3) powers, duties, functions, and responsibilities within the exclusive authority of the County Executive or not subject to approval or rejection by the County Commission under the Charter or applicable law remain within the exclusive authority of the County Executive.

(c) In addition to and separate from powers retained by the County Commission and the County Executive under section 1(b), the County Commission and the County Executive are hereby jointly granted the powers prescribed for emergency managers under section 12(1) of Act 436 and may exercise the powers using the same procedure under which a resolution is adopted by the County Commission, transmitted to the County Executive, and becomes effective and enforceable by the County Executive under the Charter, subject to the following:

(1) the County Commission and the County Executive may not jointly exercise powers prescribed for emergency managers under sections 12(1)(k), 12(1)(l), 12(1)(q), 12(1)(z), 12(1)(bb), and 12(1)(dd) of Act 436;

(2) only when jointly exercising power under this section 1(c), the County Commission and the County Executive shall not sell an asset of the County valued at more than $50,000.00 without the approval of the State Treasurer, consistent with the requirements of section 15(1) of Act 436;

(3) the County Commission and the County Executive shall not exercise or transfer the powers, duties, functions, or responsibilities of the governing body of a public airport authority under chapter VIA of the Aeronautics Code of the State of Michigan, 1945 PA 327, as amended, MCL 259.108 to 259.125c ("**Chapter VIA**"), but are not restricted from exercising a power granted to the County Commission, the County Executive, or both under Chapter VIA;

(4) a resolution adopted by the County Commission providing for the joint exercise of one or more powers authorized under this section 1(c) must be signed by the County Executive and filed with the clerk of the County Commission to be effective.

(d) In addition to and separate from powers retained under section 1(b) and granted under section 1(c), the County Commission is hereby granted the powers prescribed for emergency managers under section 12(1)(ff) of Act 436 to remove, replace, appoint, or confirm individuals appointed by a county commission to an office, board, commission, authority, or other entity that is within or is a component unit of the County, including appointments approved or confirmed by a county executive. The exercise of a removal power by the County Commission under this section 1(d) is not subject to veto by the County Executive and does not require approval by the County Executive.

(e) In addition to and separate from powers retained under section 1(b) and granted under section 1(c), the County Executive is hereby granted the powers prescribed for emergency managers under section 12(1)(ff) of Act 436 to remove, replace, appoint, or confirm individuals appointed by a county executive to an office, board, commission, authority, or other entity that is within or is a component unit of the County, including appointments approved or confirmed by a county commission. The exercise of a removal power by the County Executive under this section 1(e) is not subject to veto by the County Commission and does not require approval by the County Commission. However, the appointment of an individual to fill a vacancy caused by a removal under this section 1(e) is subject to the requirements of section 4.385 of the Charter.

2. **Employee Relations.** (a) In addition to and separate from powers retained and granted under section 1, the County Executive is hereby granted the powers prescribed for emergency managers under section 12(1)(l) of Act 436 to act as the sole agent of the County in collective bargaining with employees or representatives and approve any contract or agreement.

(b) Consistent with section 8(11) of Act 436, beginning 30 days after the effective date of this agreement the County is not subject to section 15(1) of 1947 PA 336, as amended, MCL 423.215, for the remaining term of this agreement.

(c) Beginning 30 days after the effective date of this agreement, if a collective bargaining agreement has expired, the County Executive may exercise the powers prescribed for emergency managers under section 12(1)(ee) of Act 436 to impose by order matters relating to wages, hours, and other terms and conditions of employment, whether economic or noneconomic, for County employees previously covered by the expired collective bargaining agreement. Matters imposed under this section 2(c) will remain in effect for those employees until a new collective bargaining agreement for the employees takes effect under 1947 PA 336, as amended, MCL 423.201 to MCL 423.217, or other applicable law. The authority described in this section 2(c) is in addition to the powers retained and granted under sections 1 and 2(a).

(d) If a two-year budget is implemented for the County under section 11 that includes contractual and employment agreements, the contractual and employment agreements, and any provisions of those contractual and employment agreements relating to wages, hours, or other terms and conditions of employment for County employees will remain effective while the two-year budget is effective and may not be amended while the two-year budget is effective without the approval of the State Treasurer consistent with section 21 of Act 436. However, until a new collective bargaining agreement is effective, the terms and conditions of employment established in contractual and employment agreements included with a two-year budget under section 11 will remain in effect.

(e) A provision of an existing collective bargaining agreement that authorizes the payment of a benefit upon the death of a police officer or firefighter that occurs in the line of duty may not be impaired under this agreement.

(f) Consistent with section 8(10) of Act 436, this agreement does not grant to the County Executive, the County Commission, or any other officer of the County the powers prescribed for emergency managers under section 12(1)(k) of Act 436.

3. **Enforcement.** (a) In addition to the powers retained and granted under sections 1 and 2, the County Executive is hereby granted the powers prescribed for emergency managers under section 10 of Act 436 to issue and enforce orders necessary to accomplish the purposes of Act 436 and this agreement, but the County Executive shall not issue an order applicable to, or enforce an order against, the County Commission, a member of the County Commission, or an officer, employee, agent, or contractor of the legislative branch of County government.

(b) County elected and appointed officials and County employees, agents, and contractors shall promptly and fully provide the assistance and information necessary and properly requested by the County Commission, the County Executive, or both when exercising powers prescribed for emergency managers under Act 436 and granted under this agreement. In addition to the powers retained and granted under sections 1, 2, and 3(a), the County Executive is hereby granted the powers prescribed for emergency managers under section 27 of Act 436 to enforce this section 3(b), except against the County Commission, a member of the County Commission, or an officer, employee, agent, or contractor of the legislative branch of County government.

(c) In addition to the powers retained and granted under sections 1, 2, 3(a), and 3(b), the County Commission and the County Executive each are hereby granted the powers prescribed for emergency managers under section 16 of Act 436.

(d) The State Treasurer states that the exercise of powers prescribed for emergency managers under Act 436 by the County Commission, County Executive, or both, under sections 1(c) to 1(e), 2(a), 2(c), 3(a) to 3(c), and 11(a) consistent with this agreement are necessary or convenient to enable the County to achieve the goals and objectives of this agreement during the term of this agreement.

4. **State Assistance.** To assist the County in alleviating the County's financial emergency, the Michigan Department of Treasury ("**Treasury**") may provide the County with financial management and technical assistance as requested by the County Executive, including assistance in implementing the revenue estimating process described in section 5. Assistance under this section 4 is subject to the mandate under Const 1963, art 9, § 17 that no money may be paid out of the state treasury except in pursuance of appropriations made by law. County officers, employees, agents, and contractors shall promptly and fully provide the assistance and information necessary for the provision of state assistance under this section 4 as requested by an officer, employee, agent, or contractor of Treasury.

5. **Revenue Estimating.** (a) The County shall hold a revenue estimating conference (a "**Conference**") in the first week of February and in the first week of June of each year through the end of the last fiscal year in any two-year budget adopted by the County under section 11.

(b) The principals of each Conference will be the County's chief financial officer, the chief fiscal advisor of the County Commission's office of fiscal agency, and the County's treasurer or a deputy treasurer designated by the County's treasurer.

(c) Each Conference shall adopt an official forecast of anticipated revenues of the County after considering the most recent economic forecast adopted by the state revenue estimating conference under sections 367a to 367f of The Management and Budget Act, 1984 PA 431, as amended, MCL 18.1367a to 18.167f.

(d) The official forecast of revenue for each Conference must be determined by consensus among the Conference principals for the County fiscal year in which the Conference is held and the next two County fiscal years. Each Conference also shall forecast general fund revenue trend-line projections for the County for an additional two fiscal years. Each Conference must base its forecast of revenues upon the assumption that law and administrative procedures then effective will remain effective throughout the forecast period.

(e) A Conference may request from County officers, departments, agencies, and authorities of the County the assistance and data needed to enable the Conference to fulfill its duties. County officers, departments, agencies, and authorities shall cooperate with a Conference in the exercise of its duties under this section 5. In determining forecasts, a Conference may consult with persons with expertise in economic and government revenue forecasting, including Treasury and state institutions of higher education.

(f) A principal shall preside over conference sessions, convene conference sessions, and specify topics to be included on the conference agenda. The responsibility of presiding over sessions of the conference shall be rotated annually among the principals, with the initial chairperson being elected by the principals. The chairperson presiding over a conference is responsible for setting the conference date and preparing and distributing the necessary documents before the conference, including comparisons between alternative information where a comparison is warranted. Upon the written request of a principal, a conference shall be convened by the chairperson.

(g) Except as provided in section 5(h), any final action of a Conference establishing an official forecast will require the unanimous support of all principals. Otherwise, the principals of a Conference shall determine procedures to be used by the Conference, including procedures for Conference sessions and presentations by persons. Each Conference shall complete its work within five days unless extended for an additional 5 days by the unanimous support of all principals.

(h) If a Conference does not establish an official forecast with the unanimous support of the principals within the time period required under section 5(g), the State Treasurer shall adopt the official forecast of revenue for the County. Within a time period established by the State Treasurer, each principal may provide information to the State Treasurer relating to the adoption of an official forecast under this section 5(h) and the State Treasurer shall consider the information submitted within that time period before adopting an official forecast under this section 5(h).

(i) Meetings of a Conference must be open to the public and held in a manner that complies with the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275, (the "**Open Meetings Act**"). A document or other record prepared, owned, used, in the possession of, or retained by the Conference in the performance of an official function is subject to the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246.

(j) A Conference shall distribute its revenue forecasts to the County Executive, the County Commission, and the State Treasurer. The County shall publish the forecasts under this section 5 on the County's website.

(k) The County Executive and other elected County officers shall use the then current revenue forecasts adopted under this section 5 when proposing a County budget, appropriations act, or amendment of either. The County Commission shall use the then current revenue forecasts adopted under this section 5 when adopting a County budget, appropriations act, or amendment of either.

(l) Each budget or budget amendment adopted by the County must provide for:

(1) conducting all aspects of the operations of the County within the resources available to the County according to the then current revenue forecast under this section 5; and

(2) the timely deposit of required payments to the WCERS.

(m) The State Treasurer recommends the County formally adopt a revenue estimating process based upon sections 5(a) to 5(l) for use after the term of this agreement.

6. **Audits.** (a) For each County fiscal year ending after the effective date of this agreement the County shall retain a recognized independent certified public accounting firm to perform an annual audit of the County (the "**Independent Auditor**").

(b) The annual audit required under this section 6 must:

(1) comply with the professional standards and guidance included in government auditing standards issued by the Comptroller General of the United States ("**Generally Accepted Government Auditing Standards**");

(2) include an opinion as to whether the County's financial statements for the fiscal year were prepared in accordance with the uniform minimum standards of and guidelines for financial accounting and reporting standards for state and local governments issued by the Governmental Accounting Standards Board ("**GASB**"), including GASB's hierarchy of generally accepted accounting principles for state and local governments ("**Generally Accepted Accounting Principles**"); and

(3) comply with the requirements of the Uniform Budgeting and Accounting Act, 1968 PA 2, as amended, MCL 141.421 to 141.440a (the "**Budget Act**"), and other applicable law.

(c) The County shall make available for inspection and duplication all records required by the Independent Auditor to perform the annual audit required under this section 6. The County shall make its officers and employees available to, and shall cooperate with, the Independent Auditor to facilitate timely completion of the annual audit by the Independent Auditor.

7. **Reports.** (a) By the 15th day of each month after August 2015, the County shall submit monthly reports on the County's cash position and cash flow in a form prescribed by the State Treasurer.

(b) Beginning October 15, 2015 and ending on the Release Date under section 11(a), the County Executive shall transmit to the State Treasurer, with a copy to the County Commission, a quarterly written report in a form prescribed by the State Treasurer indicating the status of the County's implementation of Remedial Measures during the prior quarter. If a Remedial Measure involves reductions in payments to the WCERS, changes in benefits provided to WCERS participants, or OPEB changes, reported savings from the changes must be verified by an independent actuary acceptable to the State Treasurer.

(c) Consistent with section 8(1) of Act 436, beginning on October 15, 2015, the County Executive shall transmit a quarterly financial status report for the prior three months in the form prescribed by the State Treasurer, with a copy to the County Commission and each state senator and state representative representing the County.

(d) Beginning October 15, 2015, the County Executive shall transmit to the State Treasurer, with a copy to the County Commission, a quarterly report listing pending lawsuits or other legal actions in which the County is a party during the prior three months. For each listing, the County shall detail: (1) the name of the plaintiff or plaintiffs; (2) the name of the defendant or defendants; (3) the name of the court and judge with jurisdiction; (4) the name of the attorney representing the County; (5) the cause of action; (6) the length of time pending; (7) an estimate of the budgetary impact on the County if the County does not prevail; (8) the details of any settlement agreement; and (9) any applicable insurance coverage.

(e) By January 31, 2016, the County Executive shall transmit to the State Treasurer a report that includes a plan addressing the projected needs of the County's adult detention system that complies with all laws and court orders related to the housing of adult inmates by the County. The plan must be based upon reasonable trends and classifications for the adult inmate population, the continuation and implementation of programs developed under agreements with the circuit court for the County, and projected available financial resources. The plan must not be inconsistent with any budget adopted by the County and must not exacerbate the County's structural deficit or result in a new projected structural deficit. The plan also must:

(1) identify the projected cost of capital improvements necessary to continue to operate each of the County's then operating adult detention facilities over the next five to 20 years;

(2) assess resources, after accounting for any operational cost increases or decreases, available to the County to fund the construction or renovation of adult detention facilities; and

(3) outline a project plan to adequately meet the County's needs for adult detention facilities, including construction and renovations necessary to meet the projected number of beds needed during the years covered by the project plan.

(f) The State Treasurer also may require the County to produce and transmit other financial reports to assure that Treasury has access to accurate and timely financial information about the County and regarding the County's procedures for cash control and cash management, including procedures for timely collection, securing, depositing, balancing, and expending of cash, and designation of appropriate fiduciaries.

8. **Debt.** (a) The County shall not issue or incur Debt without the approval of the State Treasurer. The County may enter into agreements with creditors or other persons or entities for the payment of existing Debts, including the settlement of claims by the creditors. The County also may enter into agreements with creditors or other persons or entities to restructure Debt on terms, at rates of interest, and with security as agreed among the parties, subject to approval by the State Treasurer. The County shall make timely principal, interest, and other Debt service or other payment obligations on all County Debt. As used in this section 8, "**Debt**" means that term as defined in section 103 of the Revised Municipal Finance Act, 2001 PA 34, MCL 141.2103, and also includes all of the following:

(1) capital lease transactions and certificates of participation entered into by or on behalf the County;

(2) lease transactions for amounts exceeding $3,000,000.00, installment purchase transactions, certificate of participation transactions, or contractual payment obligations supporting indebtedness issued or incurred by or on behalf of the County; and

(3) any other indebtedness issued or incurred by or on behalf of the County that obligates the County under Generally Accepted Accounting Principles, excluding future projected pension and OPEB obligations of the County.

(b) The County shall comply with the Emergency Municipal Loan Act, 1980 PA 243, as amended, MCL 141.931 to 141.942, (the "**Loan Act**") and the terms and conditions of any emergency loan to the County or agreement between the county and the state or a political subdivision of the state under the Loan Act.

(c) The County Commission and the County Executive shall not take any action or fail to take an action that would impair or impede one or more of the following:

(1) the payment of money from the County's delinquent tax revolving fund under section 87b(3) of The General Property Tax Act, 1893 PA 206, as amended, MCL 211.87b(3);

(2) the deposit of the proceeds of delinquent tax notes issued by the County under section 87c of The General Property Tax Act, 1893 PA 206, as amended, MCL 211.87c, in the County's delinquent tax revolving fund established under section 87b(3) of The General Property Tax Act, 1893 PA 206, as amended, MCL 211.87b(3);

(3) the payment of interest or repayment of principal due on delinquent tax notes issued by the county under section 87c of The General Property Tax Act, 1893 PA 206, as amended, MCL 211.87c; or

(4) other obligations of the county under section 87c of The General Property Tax Act, 1893 PA 206, as amended, MCL 211.87c, or notes issued under that section.

(d) Section 8(c) does not otherwise alter the authority of the County to transfer a surplus in the County's delinquent tax revolving fund to the County's general fund.

9. **Bankruptcy.** The County shall not initiate an action under Chapter 9 of Title 11 of the United States Code, 11 USC 901 to 946.

10. **Term.** This agreement is effective beginning on the effective date under section 20 and remains effective until the Release Date under section 11(a) or an uncured material breach is declared and not cured, except that sections 2(b) to 2(f) and 5, and the requirement to adopt and implement a two-year budget under section 11 survive the Release Date under section 11(a) and continue in effect for the remaining term of this agreement, which expires at the end of the last County fiscal year after the Release Date covered by the two-year budget adopted under section 11.

11. **Release.** (a) The County is released from this agreement and the requirements of section 8 of Act 436 upon written notification from the State Treasurer to the County Executive and clerk of the County Commission that the County has complied with this agreement (the "**Release Date**"). Consistent with section 21(1) of Act 436, the State Treasurer shall require the County Commission and the County Executive, and both are hereby jointly authorized, to exercise the powers prescribed for emergency managers under section 21(2) of Act 436 to adopt and implement using Charter procedures a two-year budget for the County, including all contractual and employment agreements, effective beginning on the first day of a fiscal year beginning after the Release Date. The County is not required to adopt a two-year budget before the Release Date. The County will be deemed by the State Treasurer to have complied with this agreement and the State Treasurer shall release the County from the

requirements of section 8 of Act 436 if the County Executive certifies in writing to the State Treasurer, and the State Treasurer concurs in writing, that all of the following conditions are satisfied:

(1) the fiscal stability of the County has been restored as demonstrated by action taken by the County after December 31, 2014 that will eliminate the County's $52 million structural deficit, with reductions (if any) resulting from reductions in payments to the WCERS , changes in benefits provided to the WCERS participants, or OPEB changes, verified by an independent actuary acceptable to the State Treasurer;

(2) the County has paid all outstanding amounts owed by the County to the Michigan Department of Health and Humans Services ("**MDHHS**") relating to the County's child care fund or has entered into a written agreement with MDHHS relating to amounts owed by the County and the director of MDHHS confirms that the County is in compliance with that agreement; and

(3) based upon an audited financial statement for a fiscal year ending after December 31, 2014, the County is not required to submit a financial plan under section 21(2) of the Glenn Steil State Revenue Sharing Act of 1971, 1971 PA 140, as amended, MCL 141.921(2).

(b) After the Release Date, the County shall not amend any two-year budget adopted for the County under section 11(a) without the approval of the State Treasurer, and shall not revise any order issued by the County Executive under this agreement before one year after the Release Date. The State Treasurer recommends the County continue using a two-year budgeting process after the expiration of this agreement.

12. **Compliance and Breach.** (a) The County is bound by and shall comply with this agreement. Failure of the County to comply with this agreement is a breach of this agreement. Violation of state or federal law with respect to any matter relating to this agreement, including the Open Meetings Act, the Budget Act, or the Loan Act by the County, the County Commission, the County Executive or another officer of the County also is a breach of this agreement. Except as provided in section 15, the obligations of the County under this agreement are not subject to waiver or discharge for any reasons other than an Uncontrolled Event, including missed due dates, clerical errors, computer failures, late mailings or deliveries. For purposes of this section 12(a), "**Uncontrolled Event**" means with respect to the County, an event or circumstance, regardless of foreseeability, not caused by the County and that prevents the County from complying with an obligations under this agreement, except that an Uncontrolled Event does not include a strike or other labor unrest that affects only the County, an increase in prices, or a change in law.

(b) *Material Breach.* An uncured breach of this agreement is a material breach of this agreement if the State Treasurer determines that any of the following apply:

(1) the uncured breach materially impairs the timely and complete implementation of the Remedial Measures;

(2) the uncured breach materially impairs the ability of the County Commission, the County Executive, or both, to perform their respective functions and responsibilities under this agreement; and

(3) the uncured breach materially impairs the implementation of this agreement because the County or a County officer has contested, through a legal proceeding or otherwise, the constitutionality, validity, or enforceability of Act 436, this agreement, or the powers or

jurisdiction of the State Treasurer or other state officers under Act 436, other applicable law, or this agreement.

(c) *Notice of Material Breach.* If the State Treasurer determines that a material breach of this agreement has occurred or is occurring, the State Treasurer shall immediately notify the County Commission and the County Executive of that determination. The County shall take all lawful steps necessary to cure the material breach within 14 days and report to the State Treasurer the steps taken to cure the material breach, unless the State Treasurer determines that the material breach is of a nature that cannot be cured within 14 days. If the State Treasurer determines that the material breach cannot be cured within 14 days, the State Treasurer shall provide the County with a longer period to cure the material breach and the County shall report the steps taken to cure the material breach within the longer period provided by the State Treasurer. If the State Treasurer determines that a material breach must be cured in less than 14 days to address a projected deficiency in the County's cash flow, the State Treasurer shall require the County cure the deficiency in a shorter time period and the County shall report the steps taken to cure the material breach within the time period provided by the State Treasurer.

(d) *Statutory Declaration of Material Breach.* Notwithstanding sections 12(a) to (c), and consistent with section 8(1) of Act 436, the State Treasurer may, in the State Treasurer's sole discretion, declare a material breach of this agreement, including a declaration of a material breach, for any of the following reasons:

(1) repeated failure of the County to provide accurate and timely financial reports;

(2) repeated failure of the County to meet a deadline or due date under this agreement;

(3) delay by the County in addressing a projected deficiency in the County's cash flow;

(4) action by an officer, employee, agent, or contractor of the County to impede or hinder implementation of this agreement; or

(5) repeated delays or other action by the County inconsistent with advice or guidance provided by the State Treasurer or other action or inaction by the County inconsistent with the goals and objectives of this agreement.

(e) *Uncured Material Breach.* If a material breach is declared and not cured, one of the following will occur, as required by section 8(1) of Act 436:

(1) the governor may place the County in receivership as defined under section 2(q) of Act 436 and the County shall not contest the placement in receivership or the resulting appointment of an emergency manager under Act 436; or

(2) the governor may place the County in the neutral evaluation process as defined under section 2(o) of Act 436 and the County shall not contest the placement in the neutral evaluation process and will initiate the neutral evaluation process as required by and consistent with section 25 of Act 436.

13. **Due Dates.** If a due date under this agreement falls on a Saturday, Sunday, or state holiday, then the due date will be the next day that is not a Saturday, Sunday, or state holiday. If a

report, listing, or other document is provided to Treasury by the County Executive, the report, listing, or other document will be deemed to have been received by Treasury from the County.

14. **Treasury Designees.** The State Treasurer may designate an individual within Treasury to perform the State Treasurer's functions and responsibilities under this agreement. The State Treasurer may designate an individual or agency, division, or other organizational unit within Treasury to receive reports or other notifications under this agreement and will notify the County Executive of a designation under this section 14.

15. **Modification; Waiver.** No amendment to this agreement will be effective unless it is in writing and signed by both parties. The County is not authorized to sign an amendment unless the amendment is approved by the County Commission. The State Treasurer may waive a provision of this agreement if the State Treasurer determines that the County demonstrates good cause for the waiver, including a material breach of this agreement caused by a nonparty. No waiver of satisfaction of a condition or failure to comply with an obligation under this agreement will be effective unless it is in writing and signed by the State Treasurer and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation under this agreement.

16. **Counterparts.** If the parties sign this agreement in several counterparts, each will be deemed an original but all counterparts together will constitute one instrument.

17. **Governing Law.** The laws of the state of Michigan, without giving effect to its principles of conflicts of law, govern all adversarial proceedings arising out of this agreement.

18. **Entire Agreement.** This agreement constitutes the entire understanding between the parties with respect to the subject matter of this agreement and supersedes all other agreements relating to the County's financial emergency, whether written or oral, between the parties.

19. **Severability.** The parties intend as follows:

(1) that if any provision of this agreement is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded;

(2) that if modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this agreement, the entire agreement will be held unenforceable;

(3) that if an unenforceable provision is modified or disregarded in accordance with this section 19, then the rest of the agreement will remain in effect as written; and

(4) that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.

20. **Effectiveness; Date.** This agreement will become effective after approval by the County Commission and when all the parties have signed it. The date this agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature) will be deemed the date of this agreement. If a party signs but fails to date a signature, the date that the other party receives the signing party's signature will be deemed to be the date that the signing party signed this agreement, and the other party may inscribe that date as the date associated with the signing party's signature.

Each party is signing this agreement on the date stated opposite that party's signature.

WAYNE COUNTY

Date: _____________, 2015 By: _________________________________
Warren C. Evans
County Executive

Date: _____________, 2015 _________________________________
STATE TREASURER N.A. KHOURI

CERTIFICATION

I, John Pfieffer, acting clerk of the Wayne County Commission, certify all of the following:

(1) that this consent agreement was approved and the signing of the consent agreement by the Wayne County Executive was authorized on behalf of the Wayne County Commission by a resolution adopted at a ___________________ meeting of the Wayne County Commission held on August ____, 2015.
[regular/special]

(2) that the resolution remains in effect;

(3) that the meeting was held in compliance with the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275; and

(4) that the minutes of the meeting were kept and have been or will be made available as required by the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

Date: August ____, 2015 ____________________________________
John Pfieffer
Acting Clerk of the Wayne County Commission

[Final negotiated agreement as of 08/10/2015]

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