

**AGREEMENT RELATED TO RESTRUCTURING OF
DEBT SERVICE SCHEDULES OF CITY OF FLINT
WATER SUPPLY SYSTEM REVENUE BONDS,
SERIES 1999, SERIES 2000, SERIES 2001 AND SERIES 2002**

THIS RESTRUCTURING AGREEMENT ("AGREEMENT") is entered into as of March 20, 2015 by and among, the City of Flint, County of Genesee, State of Michigan (the "City"), the Michigan Finance Authority (the "MFA"), and the State of Michigan, acting through its Department of Environmental Quality (the "DEQ").

RECITALS

WHEREAS, the City presently has the following bonds outstanding, the proceeds of which were used to finance improvements to the Flint Water Treatment Plant, (the "Plant"): (i) \$2,543,994 Water Supply System Revenue Bonds, Series 1999 (the "1999 Bonds"); (ii) \$3,275,000 Water Supply System Revenue Bonds, Series 2000 (the "2000 Bonds"); (iii) \$4,256,408 Water Supply System Revenue Bonds, Series 2001 (the "2001 Bonds") and (iv) \$10,694,934 Water Supply System Revenue Bonds, Series 2002 (the "2002 Bonds" and collectively with the 1999 Bonds, the 2000 Bonds and the 2001 Bonds, the "Bonds").

WHEREAS, The Emergency Manager ("EM") of the City has determined that it is in the best interest of the City and is consistent with the City's restructuring efforts and will promote the goals and purposes of Act 436, Public Acts of Michigan, 2012 ("Act 436"), for the City to restructure the debt service schedules for all of the outstanding Bonds, to provide funding to finance improvements and replacements (the "Improvements") to the City's Water Treatment Plant and water distribution system from the Plant.

WHEREAS, all of the Bonds were sold to and are presently owned by the Michigan Finance Authority (the "MFA"), as successor to the Michigan Municipal Bond Authority.

WHEREAS, the interest on each series of the Bonds is presently excludable from gross income for federal income tax purposes and the City has covenanted, in each Bond Resolution which authorized each related series of the Bonds, among other things, to do all things necessary to assure that the interest on the respective series of Bonds will be and will remain excludable from gross income for federal income tax purposes (the "Bond Tax Covenant").

WHEREAS, in connection with the issuance of each series of the Bonds, the DEQ entered into a Supplemental Agreement with the City (collectively, the "Supplemental Agreements") under which the City covenanted, among other things, to the extent permitted by

law, to take all actions within its control and not fail to take any action as may be necessary to maintain the exclusion of interest on the Bond from gross income for federal income tax purposes (the "Supplemental Agreement Tax Covenant").

WHEREAS, the Emergency Manager has adopted his Order No. 2, dated March 18, 2015 (the "Order"), to restructure and amend the debt service payments on the Bonds, by postponing the principal payments next coming due on April 1, 2015 for the 1999 Bonds of \$395,000, the 2000 Bonds of \$435,000 and the 2001 Bonds of \$485,000 and on October 1, 2015 for the 2002 Bonds of \$925,000, all as more particularly described in the Order (collectively, the "Restructuring"), to allow the amounts available for such principal payments to be used to pay for the Improvements; provided, that the current interest payments due on such principal payment dates shall remain due and payable thereon.

WHEREAS, in implementing with the Restructuring the City will use its best efforts to maintain the tax-exempt status of the Bonds, however, the Emergency Manager, the MFA and the DEQ desire to allow the Restructuring to occur even if as a result of the Restructuring, Miller, Canfield, Paddock and Stone, P.L.C., as bond counsel to the City ("Bond Counsel") delivers an opinion to the City and the MFA concluding that as a result of the Restructuring, the Bonds have lost their tax-exempt status (an "Unfavorable Tax Opinion").

WHEREAS, as a precondition to the Restructuring, the Emergency Manager desires for the MFA, as holder of the Bonds, and the DEQ, as a party to the Supplemental Agreements to conditionally waive the respective Bond Tax Covenant and the Supplemental Agreement Tax Covenant related to each series of the Bonds, which waivers shall be rescinded automatically if Bond Counsel concludes that the Restructuring has not had a negative impact on the tax-exempt status of the Bonds.


NOW THEREFORE, the parties hereto agree as follows:

1. The terms for the Restructuring of the Bonds in accordance with the Order and debt service schedules attached hereto as Exhibit A and incorporated herein by this reference are hereby approved.
2. Except for the amendment and restatement of the debt service schedules for the Bonds, all other terms of the Bonds shall remain unchanged.
3. The City shall use its best efforts to maintain the tax-exempt status of the Bonds in connection with the Restructuring.
4. In the event that as a result of the Restructuring Miller, Canfield, Paddock and Stone, P.L.C. delivers an Unfavorable Tax Opinion to the City, the MFA and the DEQ, the MFA

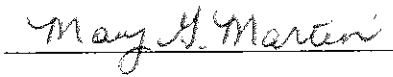
hereby waives the City's Bond Tax Covenant, and the DEQ hereby waives the City's Supplemental Agreement Tax Covenant with respect to each series of the Bonds.

IN WITNESS WHEREOF, the City, the MFA and DEQ, by and through their duly authorized officers and representatives, have executed this Agreement as of the date first written above.

CITY OF FLINT

By: 
Gerald W. Ambrose
Its: Emergency Manager

MICHIGAN FINANCE AUTHORITY

By: 
Its: EXECUTIVE DIRECTOR

DEPARTMENT OF ENVIRONMENTAL
QUALITY OF THE STATE OF
MICHIGAN

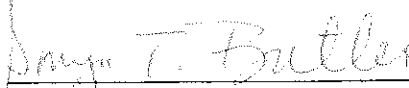
By: 
Its: Program Manager

EXHIBIT A

**AMENDED AND RESTATED DEBT SERVICE SCHEDULE
WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 1999**

MICHIGAN MUNICIPAL BOND AUTHORITY

FINAL DRINKING WATER PROGRAM SCHEDULE

City of Flint Project# 7019-01

Issue Date: 9/30/99

Revised Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/1999	-	-	-	-
10/01/1999	-	-	-	-
04/01/2000	-	-	8,422.31	8,422.31
06/30/2000	-	-	-	-
10/01/2000	-	-	22,740.16	22,740.16
04/01/2001	285,000.00	2.50%	60,807.06	345,807.06
06/30/2001	-	-	-	-
10/01/2001	-	-	62,929.45	62,929.45
04/01/2002	290,000.00	2.50%	78,086.21	368,086.21
06/30/2002	-	-	-	-
10/01/2002	-	-	82,424.93	82,424.93
04/01/2003	295,000.00	2.50%	82,424.93	377,424.93
06/30/2003	-	-	-	-
10/01/2003	-	-	78,737.43	78,737.43
04/01/2004	305,000.00	2.50%	78,737.43	383,737.43
06/30/2004	-	-	-	-
10/01/2004	-	-	74,924.93	74,924.93
04/01/2005	310,000.00	2.50%	74,924.93	384,924.93
06/30/2005	-	-	-	-
10/01/2005	-	-	71,049.93	71,049.93
04/01/2006	315,000.00	2.50%	71,049.93	386,049.93
06/30/2006	-	-	-	-
10/01/2006	-	-	67,112.43	67,112.43
04/01/2007	325,000.00	2.50%	67,112.43	392,112.43
06/30/2007	-	-	-	-
10/01/2007	-	-	63,049.93	63,049.93
04/01/2008	330,000.00	2.50%	63,049.93	393,049.93
06/30/2008	-	-	-	-
10/01/2008	-	-	58,924.93	58,924.93
04/01/2009	340,000.00	2.50%	58,924.93	398,924.93
06/30/2009	-	-	-	-
10/01/2009	-	-	54,674.93	54,674.93
04/01/2010	350,000.00	2.50%	54,674.93	404,674.93
06/30/2010	-	-	-	-
10/01/2010	-	-	50,299.93	50,299.93
04/01/2011	355,000.00	2.50%	50,299.93	405,299.93
06/30/2011	-	-	-	-
10/01/2011	-	-	45,862.43	45,862.43
04/01/2012	365,000.00	2.50%	45,862.43	410,862.43
06/30/2012	-	-	-	-
10/01/2012	-	-	41,299.93	41,299.93
04/01/2013	375,000.00	2.50%	41,299.93	416,299.93
06/30/2013	-	-	-	-
10/01/2013	-	-	36,612.43	36,612.43
04/01/2014	385,000.00	2.50%	36,612.43	421,612.43
06/30/2014	-	-	-	-
10/01/2014	-	-	31,799.93	31,799.93
04/01/2015	-	2.50%	31,799.93	31,799.93
06/30/2015	-	-	-	-
10/01/2015	-	-	31,799.93	31,799.93
04/01/2016	490,000.00	2.50%	31,799.93	521,799.93
06/30/2016	-	-	-	-
10/01/2016	-	-	25,674.93	25,674.93
04/01/2017	500,000.00	2.50%	25,674.93	525,674.93
06/30/2017	-	-	-	-
10/01/2017	-	-	19,424.93	19,424.93
04/01/2018	510,000.00	2.50%	19,424.93	529,424.93

06/30/2018	-	-	-	-
10/01/2018	-	-	13,049.93	13,049.93
04/01/2019	515,000.00	2.50%	13,049.93	528,049.93
06/30/2019	-	-	-	-
10/01/2019	-	-	6,612.43	6,612.43
04/01/2020	528,994.00	2.50%	6,612.43	535,606.43
Total	\$7,168,994.00	-	\$1,939,657.56	\$9,108,651.56

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Michigan Finance Authority
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EXHIBIT B

**AMENDED AND RESTATED DEBT SERVICE SCHEDULE
WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2000**

MICHIGAN MUNICIPAL BOND AUTHORITY
FINAL DRINKING WATER PROGRAM SCHEDULE
City of Flint Project# 7019-02
Issue Date: 9/28/00

Revised Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/28/2000	-	-	-	-
10/01/2000	-	-	-	-
04/01/2001	-	-	2,844.01	2,844.01
06/30/2001	-	-	-	-
10/01/2001	-	-	17,124.18	17,124.18
04/01/2002	315,000.00	2.500%	42,367.78	357,367.78
06/30/2002	-	-	-	-
10/01/2002	-	-	79,291.89	79,291.89
04/01/2003	320,000.00	2.500%	91,265.81	411,265.81
06/30/2003	-	-	-	-
10/01/2003	-	-	91,839.95	91,839.95
04/01/2004	330,000.00	2.500%	92,500.00	422,500.00
06/30/2004	-	-	-	-
10/01/2004	-	-	88,375.00	88,375.00
04/01/2005	340,000.00	2.500%	88,375.00	428,375.00
06/30/2005	-	-	-	-
10/01/2005	-	-	84,125.00	84,125.00
04/01/2006	345,000.00	2.500%	84,125.00	429,125.00
06/30/2006	-	-	-	-
10/01/2006	-	-	79,812.50	79,812.50
04/01/2007	355,000.00	2.500%	79,812.50	434,812.50
06/30/2007	-	-	-	-
10/01/2007	-	-	75,375.00	75,375.00
04/01/2008	365,000.00	2.500%	75,375.00	440,375.00
06/30/2008	-	-	-	-
10/01/2008	-	-	70,812.50	70,812.50
04/01/2009	375,000.00	2.500%	70,812.50	445,812.50
06/30/2009	-	-	-	-
10/01/2009	-	-	66,125.00	66,125.00
04/01/2010	385,000.00	2.500%	66,125.00	451,125.00
06/30/2010	-	-	-	-
10/01/2010	-	-	61,312.50	61,312.50
04/01/2011	395,000.00	2.500%	61,312.50	456,312.50
06/30/2011	-	-	-	-
10/01/2011	-	-	56,375.00	56,375.00
04/01/2012	400,000.00	2.500%	56,375.00	456,375.00
06/30/2012	-	-	-	-
10/01/2012	-	-	51,375.00	51,375.00
04/01/2013	410,000.00	2.500%	51,375.00	461,375.00
06/30/2013	-	-	-	-
10/01/2013	-	-	46,250.00	46,250.00
04/01/2014	425,000.00	2.500%	46,250.00	471,250.00
06/30/2014	-	-	-	-
10/01/2014	-	-	40,937.50	40,937.50
04/01/2015	-	2.500%	40,937.50	40,937.50
06/30/2015	-	-	-	-
10/01/2015	-	-	40,937.50	40,937.50
04/01/2016	520,000.00	2.500%	40,937.50	560,937.50
06/30/2016	-	-	-	-
10/01/2016	-	-	34,437.50	34,437.50
04/01/2017	525,000.00	2.500%	34,437.50	559,437.50
06/30/2017	-	-	-	-
10/01/2017	-	-	27,875.00	27,875.00
04/01/2018	530,000.00	2.500%	27,875.00	557,875.00
06/30/2018	-	-	-	-
10/01/2018	-	-	21,250.00	21,250.00
04/01/2019	555,000.00	2.500%	21,250.00	576,250.00

06/30/2019	-	-	-	-
10/01/2019	-	-	14,312.50	14,312.50
04/01/2020	565,000.00	2.500%	14,312.50	579,312.50
06/30/2020	-	-	-	-
10/01/2020	-	-	7,250.00	7,250.00
04/01/2021	580,000.00	2.500%	7,250.00	587,250.00
Total	\$8,035,000.00	-	\$2,151,108.62	\$10,186,108.62

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EXHIBIT C

**AMENDED AND RESTATED DEBT SERVICE SCHEDULE
WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2001**

MICHIGAN MUNICIPAL BOND AUTHORITY

FINAL DRINKING WATER PROGRAM SCHEDULE

City of Flint Project# 7019-03

Issue Date: 9/28/01

Revised Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/28/2001	-	-	-	-
10/01/2001	-	-	-	-
04/01/2002	-	-	16,888.77	16,888.77
08/30/2002	-	-	-	-
10/01/2002	-	-	45,812.54	45,812.54
04/01/2003	370,000.00	2.500%	72,851.54	442,851.54
06/30/2003	-	-	-	-
10/01/2003	-	-	98,598.60	98,598.60
04/01/2004	380,000.00	2.500%	107,557.26	487,557.26
06/30/2004	-	-	-	-
10/01/2004	-	-	102,807.26	102,807.26
04/01/2005	390,000.00	2.500%	102,807.26	492,807.26
06/30/2005	-	-	-	-
10/01/2005	-	-	97,932.26	97,932.26
04/01/2006	400,000.00	2.500%	97,932.26	497,932.26
06/30/2006	-	-	-	-
10/01/2006	-	-	92,932.26	92,932.26
04/01/2007	410,000.00	2.500%	92,932.26	502,932.26
06/30/2007	-	-	-	-
10/01/2007	-	-	87,807.26	87,807.26
04/01/2008	420,000.00	2.500%	87,807.26	507,807.26
06/30/2008	-	-	-	-
10/01/2008	-	-	82,557.26	82,557.26
04/01/2009	420,000.00	2.500%	87,399.15	507,399.15
06/30/2009	-	-	-	-
10/01/2009	-	-	81,517.60	81,517.60
04/01/2010	430,000.00	2.500%	81,517.60	511,517.60
06/30/2010	-	-	-	-
10/01/2010	-	-	76,142.60	76,142.60
04/01/2011	440,000.00	2.500%	76,142.60	516,142.60
06/30/2011	-	-	-	-
10/01/2011	-	-	70,642.60	70,642.60
04/01/2012	455,000.00	2.500%	70,642.60	525,642.60
06/30/2012	-	-	-	-
10/01/2012	-	-	64,955.10	64,955.10
04/01/2013	465,000.00	2.500%	64,955.10	529,955.10
06/30/2013	-	-	-	-
10/01/2013	-	-	59,142.60	59,142.60
04/01/2014	475,000.00	2.500%	59,142.60	534,142.60
06/30/2014	-	-	-	-
10/01/2014	-	-	53,205.10	53,205.10
04/01/2015	-	2.500%	53,205.10	53,205.10
06/30/2015	-	-	-	-
10/01/2015	-	-	53,205.10	53,205.10
04/01/2016	565,000.00	2.500%	53,205.10	618,205.10
06/30/2016	-	-	-	-
10/01/2016	-	-	46,142.60	46,142.60
04/01/2017	580,000.00	2.500%	46,142.60	626,142.60
06/30/2017	-	-	-	-
10/01/2017	-	-	38,892.60	38,892.60
04/01/2018	595,000.00	2.500%	38,892.60	633,892.60
06/30/2018	-	-	-	-
10/01/2018	-	-	31,455.10	31,455.10
04/01/2019	605,000.00	2.500%	31,455.10	636,455.10
06/30/2019	-	-	-	-
10/01/2019	-	-	23,892.60	23,892.60
04/01/2020	625,000.00	2.500%	23,892.60	648,892.60

06/30/2020	-	-	-	-
10/01/2020	-	-	16,080.10	16,080.10
04/01/2021	640,000.00	2.500%	16,080.10	656,080.10
06/30/2021	-	-	-	-
10/01/2021	-	-	8,080.10	8,080.10
04/01/2022	646,408.00	2.500%	8,080.10	664,488.10
Total	\$9,311,408.00	-	\$2,520,380.82	\$11,831,788.82

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EXHIBIT D

**AMENDED AND RESTATED DEBT SERVICE SCHEDULE
WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2002**

MICHIGAN MUNICIPAL BOND AUTHORITY
FINAL DRINKING WATER PROGRAM SCHEDULE
City of Flint Project# 7019-04
Issue Date: 9/25/03

Revised Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/25/2003	-	-	-	-
10/01/2003	-	-	-	-
04/01/2004	-	-	-	-
10/01/2004	-	-	14,672.82	14,672.82
04/01/2005	-	-	67,805.18	67,805.18
10/01/2005	-	-	140,139.46	140,139.46
04/01/2006	750,000.00	2.500%	187,082.85	187,082.85
10/01/2006	-	-	221,379.46	971,379.46
04/01/2007	770,000.00	2.500%	225,988.30	225,988.30
10/01/2007	-	-	229,198.21	999,198.21
04/01/2008	790,000.00	2.500%	219,573.21	219,573.21
10/01/2008	-	-	219,573.21	1,009,573.21
04/01/2009	810,000.00	2.500%	209,698.21	209,698.21
10/01/2009	-	-	209,698.21	1,019,698.21
04/01/2010	830,000.00	2.500%	199,573.21	199,573.21
10/01/2010	-	-	199,573.21	1,029,573.21
04/01/2011	850,000.00	2.500%	189,198.21	189,198.21
10/01/2011	-	-	189,198.21	1,039,198.21
04/01/2012	840,000.00	2.500%	-	-
10/01/2012	-	-	173,445.00	1,013,445.00
04/01/2013	865,000.00	2.500%	166,811.68	166,811.68
10/01/2013	-	-	166,811.68	1,031,811.68
04/01/2014	880,000.00	2.500%	156,510.71	156,510.71
10/01/2014	-	-	156,510.71	1,035,999.18
04/01/2015	905,000.00	2.500%	144,999.18	144,999.18
10/01/2015	-	-	144,999.18	1,049,999.18
04/01/2016	-	-	133,686.68	133,686.68
10/01/2016	1,050,000.00	2.500%	133,686.68	133,686.68
04/01/2017	-	-	133,686.68	1,183,686.68
10/01/2017	1,080,000.00	2.500%	120,561.68	120,561.68
04/01/2018	-	-	120,561.68	1,200,561.68
10/01/2018	1,095,000.00	2.500%	107,061.68	107,061.68
04/01/2019	-	-	107,061.68	1,202,061.68
10/01/2019	1,125,000.00	2.500%	93,374.18	93,374.18
04/01/2020	-	-	93,374.18	1,218,374.18
10/01/2020	1,140,000.00	2.500%	79,311.68	79,311.68
04/01/2021	-	-	79,311.68	1,219,311.68
10/01/2021	1,175,000.00	2.500%	65,061.68	65,061.68
04/01/2022	-	-	65,061.68	1,240,061.68
10/01/2022	1,195,000.00	2.500%	50,374.18	50,374.18
04/01/2023	-	-	50,374.18	1,245,374.18
10/01/2023	1,225,000.00	2.500%	35,436.68	35,436.68
04/01/2024	-	-	35,436.68	1,260,436.68
10/01/2024	1,609,934.00	2.500%	20,124.18	20,124.18
			20,124.18	1,630,058.18
Total	\$18,984,934.00	-	\$5,509,287.10	\$24,494,221.10