

**IRREVOCABLE LICENSE OF
ESSENTIAL WATER MAINS AND RAW WATER RIGHTS**

BY

CITY OF FLINT

TO

GREAT LAKES WATER AUTHORITY

Drafted by and When Recorded Return to:

Ann D. Fillingham
Dykema
201 Townsend, Suite 900
Lansing, Michigan 48933
(517) 374-9146

**IRREVOCABLE LICENSE OF
ESSENTIAL WATER MAINS AND RAW WATER RIGHTS**

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TO

GREAT LAKES WATER AUTHORITY

This Irrevocable License of Essential Water Mains and Raw Water Rights (the “*License*”) is made as of December 1, 2017 (the “*Dated Date*”) by the City of Flint, a Michigan municipal corporation (the “*City*”) to the Great Lakes Water Authority, a Michigan municipal authority and public body corporate organized pursuant to the provisions of Act 233, Public Acts of Michigan, 1955, as amended (“*GLWA*”).

RECITALS:

WHEREAS, the City and the Karegnondi Water Authority (“*KWA*”) entered into a Raw Water Supply Contract, dated June 28, 2013 and effective October 1, 2013, between City and KWA, as amended through date hereof, including by that certain Second Addendum dated the date hereof (“*Raw Water Supply Contract*”).

WHEREAS, under of the Raw Water Supply Contract, the City is granted certain rights to raw water capacity by KWA, subject to its obligations for payment thereunder;

WHEREAS, the City’s rights are fixed at 18 Million Gallons Per Day, U.S. Standard Liquid Measure (“*MGD*”) as of the Effective Date;

WHEREAS, as of the Effective Date defined below, the City owns or controls the 72 Inch Main and, upon construction, the Dort Highway Main, together with a portion of the 72 Inch Main known as the Licensed Main, all as described in greater detail in Exhibit A, attached hereto and incorporated herein by reference, (collectively, the “*Essential Water Mains*”);

WHEREAS, as of the Dated Date, the City, KWA, GLWA, the Michigan Department of Environmental Quality and the Genesee County Drain Commissioner (collectively, the “*Parties*”) are entering into a Master Agreement governing a number of inter-related transactions among the Parties described therein (the “*Master Agreement*”) all effective as of the effective date defined therein (the “*Effective Date*”) including execution of a Water Service Contract between the City and GLWA (as the same may be amended or supplemented, the “*Flint Contract*”); and

WHEREAS, pursuant to the transactions contemplated by the Master Agreement, the Essential Water Mains are to be licensed to GLWA and 17.46 MGD of the 18 MGD of the City's rights under the Raw Water Supply Contract are to be licensed to GLWA (City shall retain 0.54 MGD);

ACCORDINGLY, for good and valuable consideration in accordance with the Master Agreement, the receipt and sufficiency of which are hereby acknowledged, the City hereby irrevocably represents, warrants and grants to GLWA as follows:

ARTICLE I

REPRESENTATIONS AND WARRANTIES

Section 1.01 Rights and Due Authorization. The City freely owns or controls, and will own or control upon completion of construction in the case of the Dort Highway Main, the Essential Water Mains, and has full power and authority to license their use and the rights, hereunder. The City has duly authorized and validly executed and delivered this License.

Section 1.02 The Raw Water Supply Contract. The Raw Water Supply Contract is valid and enforceable according to its terms and does not conflict with or violate any agreement or covenants to which the City is a party; and the City will comply with the Raw Water Supply Contract. There are no defenses to or offsets against the obligations of the City under the Raw Water Supply Contract. All representations and warranties of the City in and under the Raw Water Supply Contract are true and correct except as may have been disclosed in writing to GLWA prior to the date hereof.

Section 1.03 Fair Value. The License being granted hereby is being given for fair value and in consideration of the rights, services and benefits granted to the City under and pursuant to the transactions contemplated by the Master Agreement. As of the Effective Date, the City is not insolvent, nor is it made insolvent as a result of the licenses granted hereunder. As of the Effective Date, the City is generally able to pay its debts as they become due.

ARTICLE II

IRREVOCABLE LICENSE

Section 2.01 Raw Water and License. Subject to the KWA Financing Contract dated August 1, 2013 ("*Financing Contract*"), and the Raw Water Supply Contract, Customer has rights to up to 18 MGD raw water capacity, delivery of that water and its use. Customer makes an irrevocable grant of an exclusive license of these rights related to the 17.46 MGD of raw water capacity, to the extent of Customer's rights therein, whether now existing or hereafter arising, to use in any way GLWA determines in its sole discretion and otherwise in compliance with the Raw Water Supply Contract. Customer may not terminate this license and Customer's exclusive remedies for breach are damages and equitable relief. City may not amend, or take any

action under, the Raw Water Supply Contract inconsistent with this irrevocable grant. This license shall survive the termination of the Flint Contract and any default by the City under the Raw Water Supply Contract. GLWA shall be entitled to receive delivery of 17.46 MGD and City shall retain 0.54 MGD for the term of the Flint Contract and thereafter as provided for therein.

Section 2.02 License of 72 Inch Main and Dort Highway Main. City hereby irrevocably grants to GLWA, at no additional charge, an exclusive license to use the 72 Inch Main and Dort Highway Main to supply potable water. This license does not confer any rights to GLWA to tap new connections into 72 Inch Main and Dort Highway Main to serve other GLWA customers without the City's written approval, which shall not be unreasonably withheld. This license is granted for an initial term of thirty (30) years, subject to ten year renewals thereafter, and shall, in any event, run concurrent with the term of the Flint Contract.

Section 2.03 License of Licensed Main. City hereby irrevocably grants to GLWA, at no additional charge, an exclusive license to use the Licensed Main to supply potable water. This license does not confer any rights to GLWA to tap new connections into the Essential Water Mains to serve other GLWA customers without the City's prior written approval, which shall not be unreasonably withheld. This license of the Licensed Main shall survive the termination of the Flint Contract and any sale or other transfer of legal control of the 72 Inch Main and/or the Licensed Main.

ARTICLE III

GLWA RAW WATER CAPACITY PURCHASE RIGHT

Section 3.01 Right to Purchase. After the City fulfills all of its debt service payment obligation to KWA pursuant to the Financing Contract (a) all of the City's remaining interest in 17.46 MGD shall transfer to GLWA upon GLWA delivering written notice to KWA of such transfer, and (b) GLWA shall have, within six months after the date of the City's fulfillment of its debt service obligation, the exclusive right to purchase City's 0.54 MGD for \$3,000,000.

ARTICLE IV

RAW WATER CAPACITY RIGHT OF FIRST REFUSAL

Section 4.01 Right of First Refusal. If, after expiration of the Flint Contract, GLWA, in its sole discretion, determines that it no longer wishes to use the rights so licensed, or any portion thereof, then City shall have a right of first refusal to purchase said rights for an amount to be determined pursuant to the Flint Contract, prior to GLWA's sale or transfer of said rights.

ARTICLE V

MISCELLANEOUS

Section 5.01 Savings Clause. If any provision of this License or its application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this License shall not be affected and shall remain valid and enforceable to the fullest extent permitted by law. If any agreement or obligation contained in this License is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the City or GLWA, as the case may be, to the full extent permitted by law.

Section 5.02 Agreement of Parties. This License, the Flint Contract, and the Master Agreement contain the entire agreement between the parties thereto and all prior negotiations and agreements are merged into the agreement. Neither the City nor GLWA has made any representations except those expressly set forth in this License, the Flint Contract, and the Master Agreement, and no rights or remedies are, or shall be, acquired by either party by implication or otherwise unless expressly set forth in this License, the Flint Contract, and the Master Agreement.

Section 5.03 Remedies and Governing Law. The rights and remedies set forth in this License are not exclusive and are in addition to any of the rights or remedies provided by law or equity. This License and all actions arising under it shall be governed by, subject to, and construed according to the laws of the State of Michigan.

[Signature on Next Page]

Exhibit A

Legal Description of Essential Water Mains

See Attached.

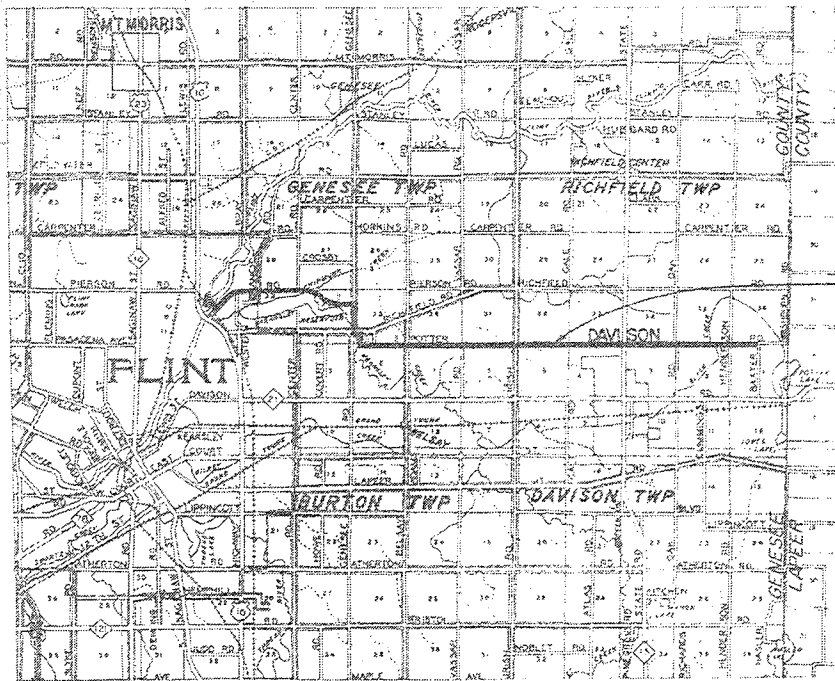
ENGINEERING

FLINT - DETROIT WATER SUPPLY

DIVISION A

72" WATER SUPPLY PIPELINE

ENGINEERING & ASSOCIATES



LOCATION MAP

DIVISION A
PROPOSED 72-INCH FLINT-DETROIT
WATER SUPPLY LINE

SYMBOLS, LEGENDS, & NOTATIONS

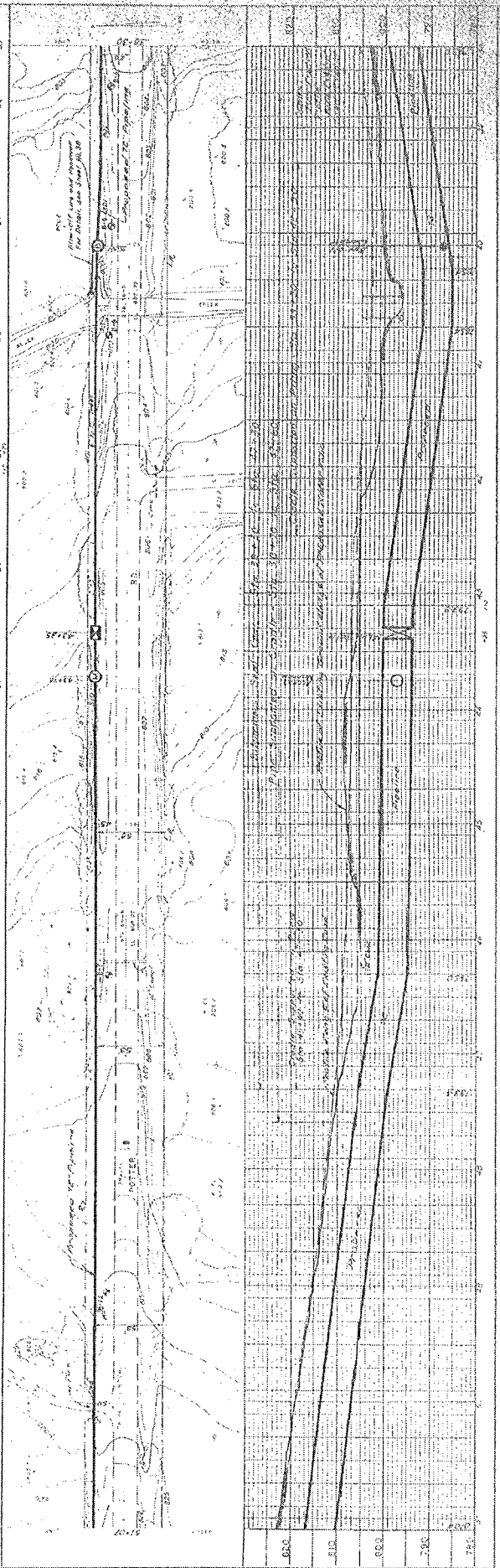
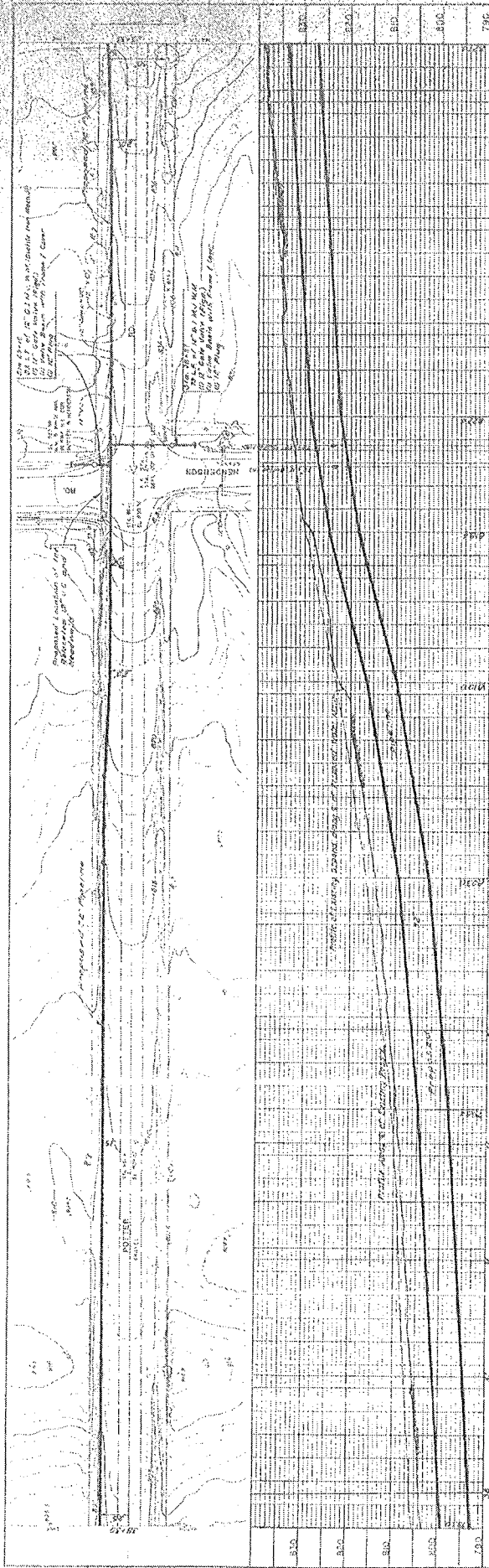
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	WATER MAIN
	COVER & MANHOLE
	GAS MAIN
	TELEPHONE CABLE
	WATER OF THE MAIN
	ELECTRIC POLE
	WATER METER

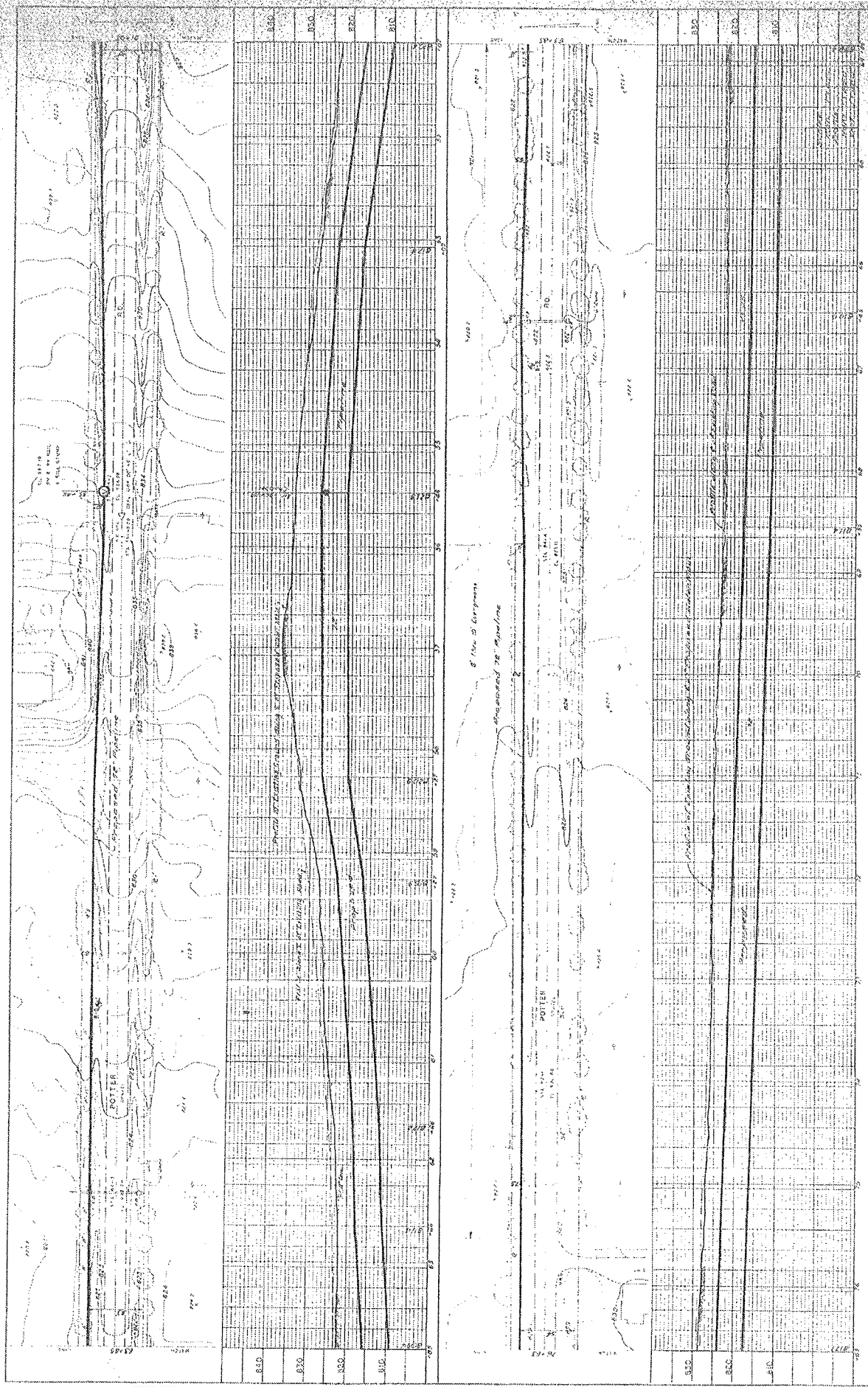
LEGEND OF EXISTING UTILITIES

	EXISTING WATER MAIN
	COVER & MANHOLE
	GAS MAIN
	TELEPHONE CABLE
	WATER OF THE MAIN
	ELECTRIC POLE
	WATER METER

INDEX OF LITERARY DRAWINGS	
DRAWING NO.	DESCRIPTION
1	GENERAL PLAN
2	GENERAL LOCATION MAP
3	GENERAL PLAN
4	SITE PLAN AT SOURCE
5	GENERAL PLAN AT SOURCE
6	GENERAL PLAN AT SOURCE
7	GENERAL PLAN AT SOURCE
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42	GENERAL PLAN AT SOURCE

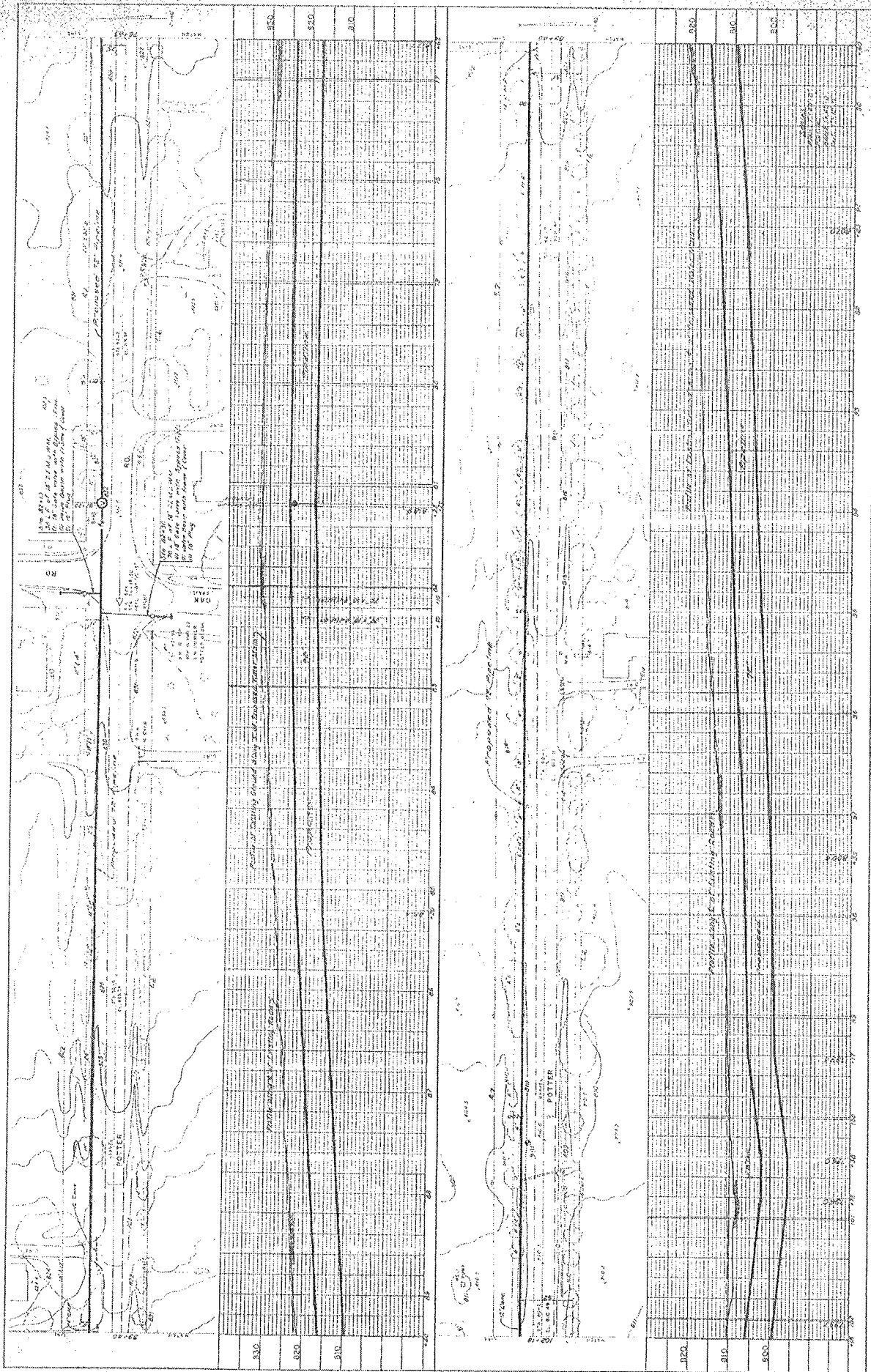
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1. ELEVATIONS SHOWN ON PROFILE ARE IN FEET ELEVATIONS
2. SPRING LOCATIONS ON DRAWINGS ARE INDICATED BY THIS
SYMBOL





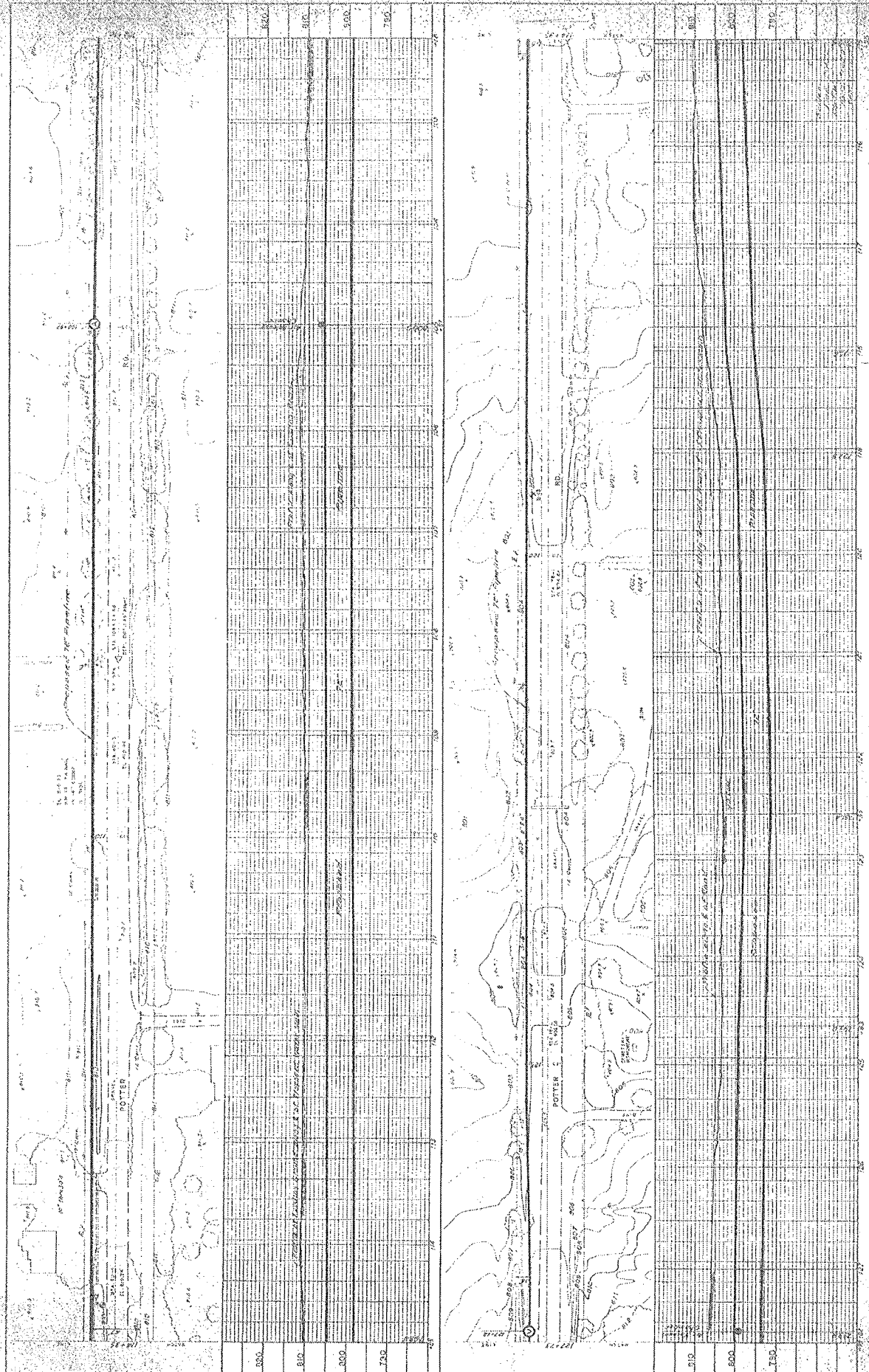
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PLAN	1911	W. H. BROWN	W. H. BROWN
PLAN	1911	W. H. BROWN	W. H. BROWN

FORMER	DATE	BY	CHECKED
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FORMER	1911	W. H. BROWN	W. H. BROWN
FORMER	1911	W. H. BROWN	W. H. BROWN



PLAN	DATE	BY	CHECKED

PROFILE	DATE	BY	CHECKED



CITY OF FLINT, MICHIGAN DIVISION A SHEET NO. 7 OF 24

PLANNING	DATE	BY
DESIGNED	DATE	BY
CHECKED	DATE	BY
APPROVED	DATE	BY

PROJECT	NO.	DATE
DESCRIPTION		
ENGINEER		
SCALE		



Use 1/4" = 40' Contour Interval
 for all elevations, with 5' plus margin
 for all elevations with 1/4" contour

Proposed 40' Right of Way
 Proposed 60' Right of Way
 Proposed 80' Right of Way

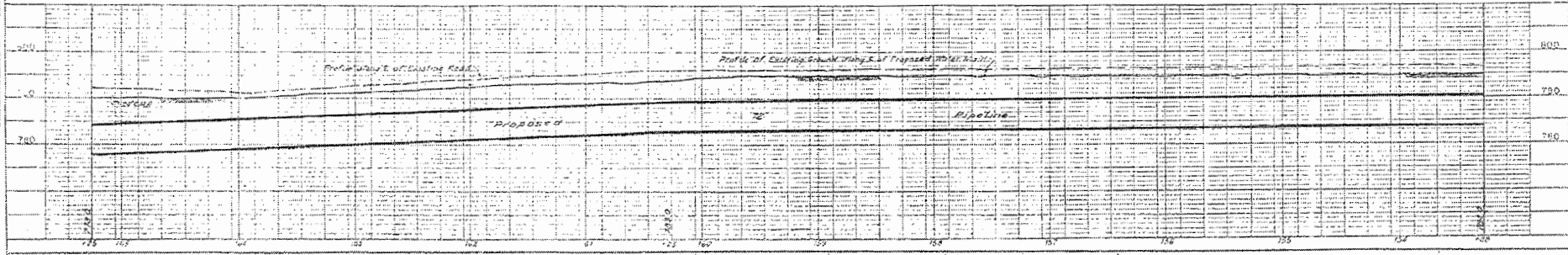
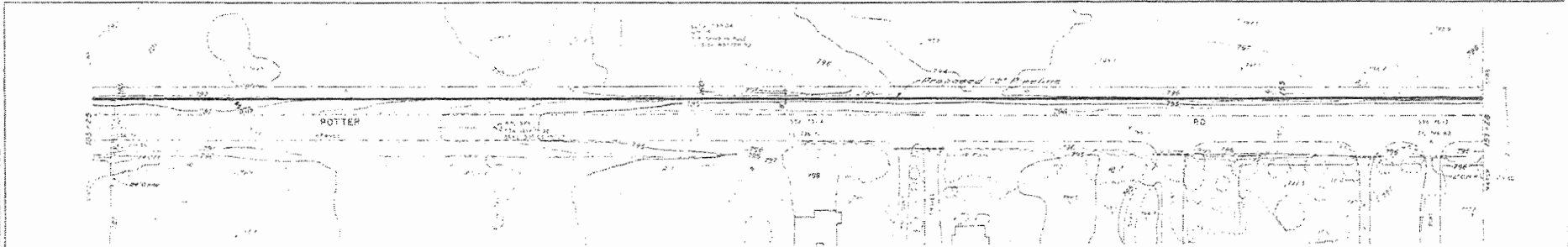
Proposed 40' Right of Way
 Proposed 60' Right of Way
 Proposed 80' Right of Way

Proposed 40' Right of Way
 Proposed 60' Right of Way
 Proposed 80' Right of Way

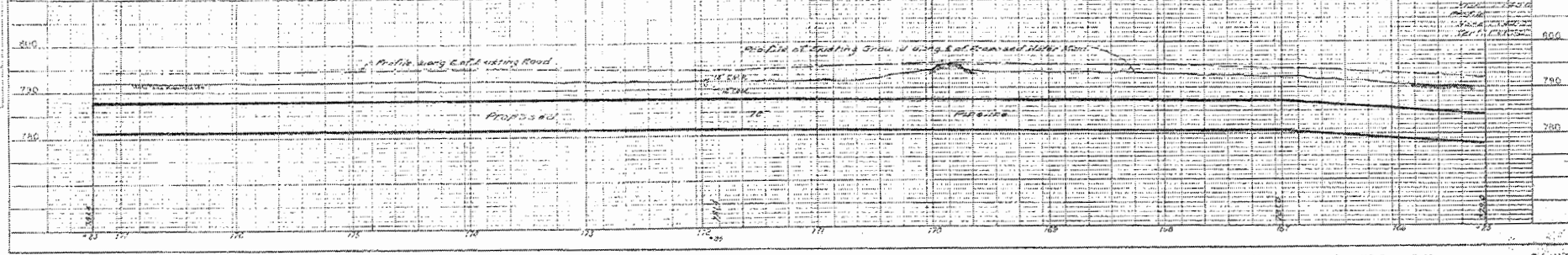
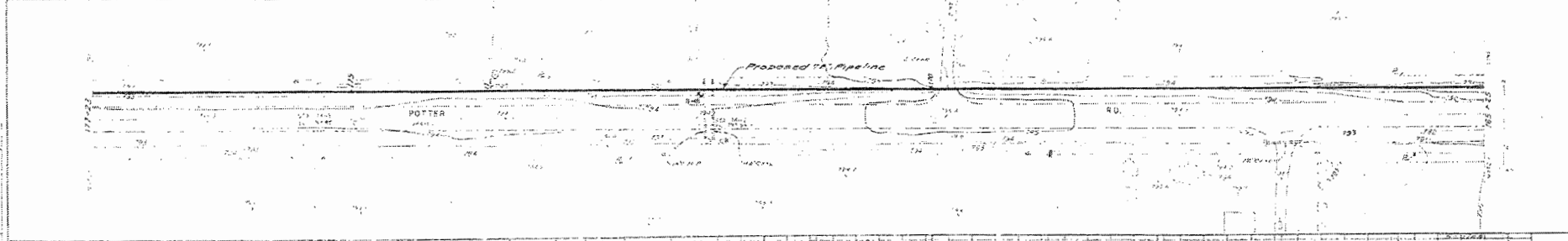
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10/1/58	10/1/58	J.M.
10/1/58	10/1/58	J.M.

PROPOSED	DATE	BY
10/1/58	10/1/58	J.M.
10/1/58	10/1/58	J.M.
10/1/58	10/1/58	J.M.

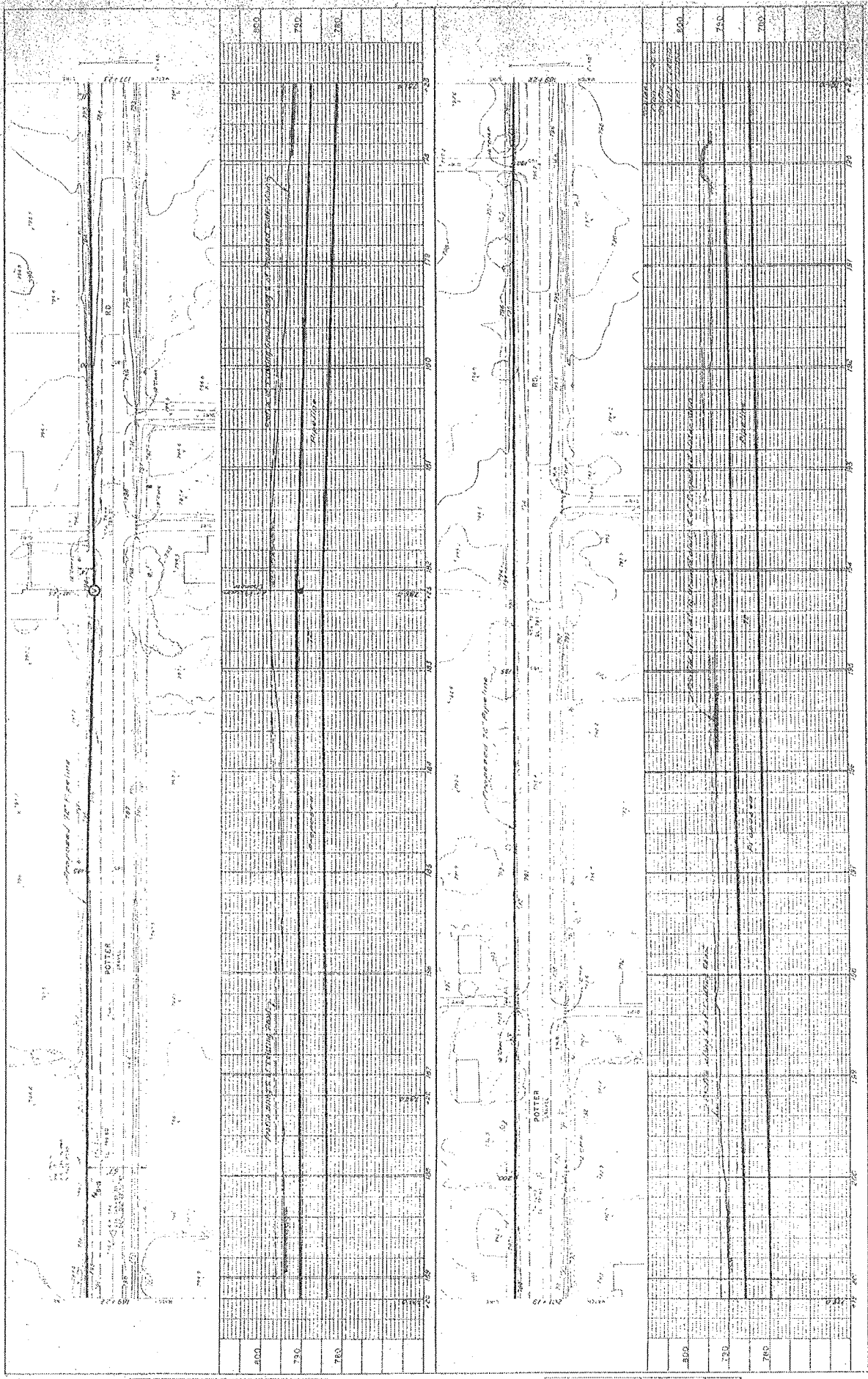
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PROFILE	DATE	BY	CHECKED



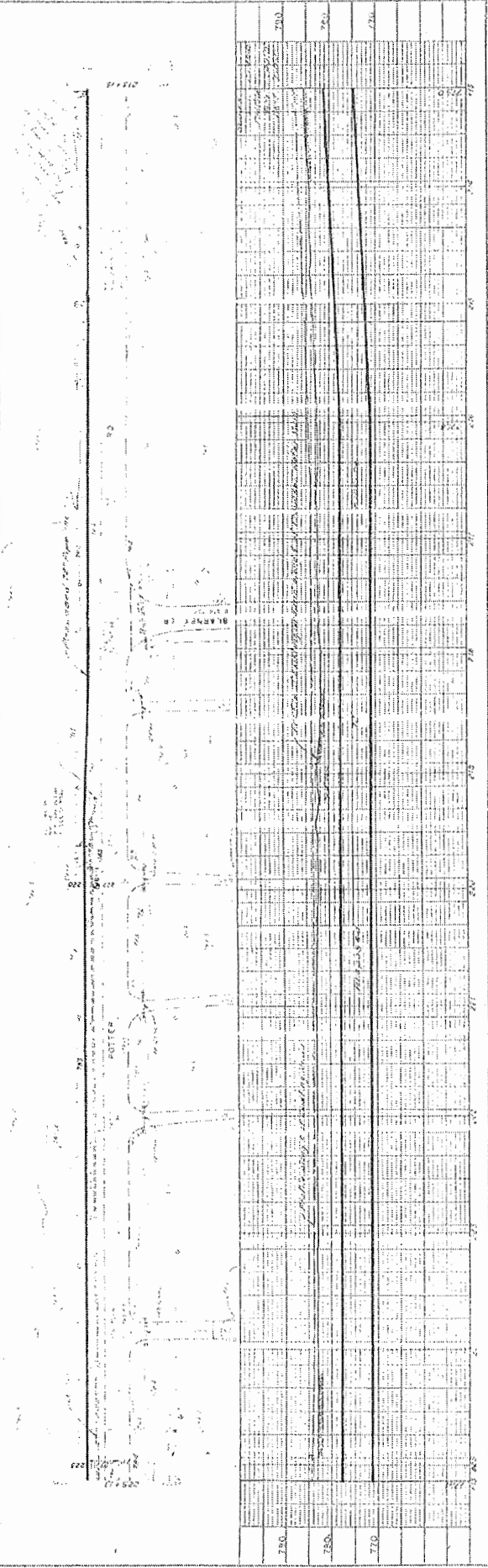
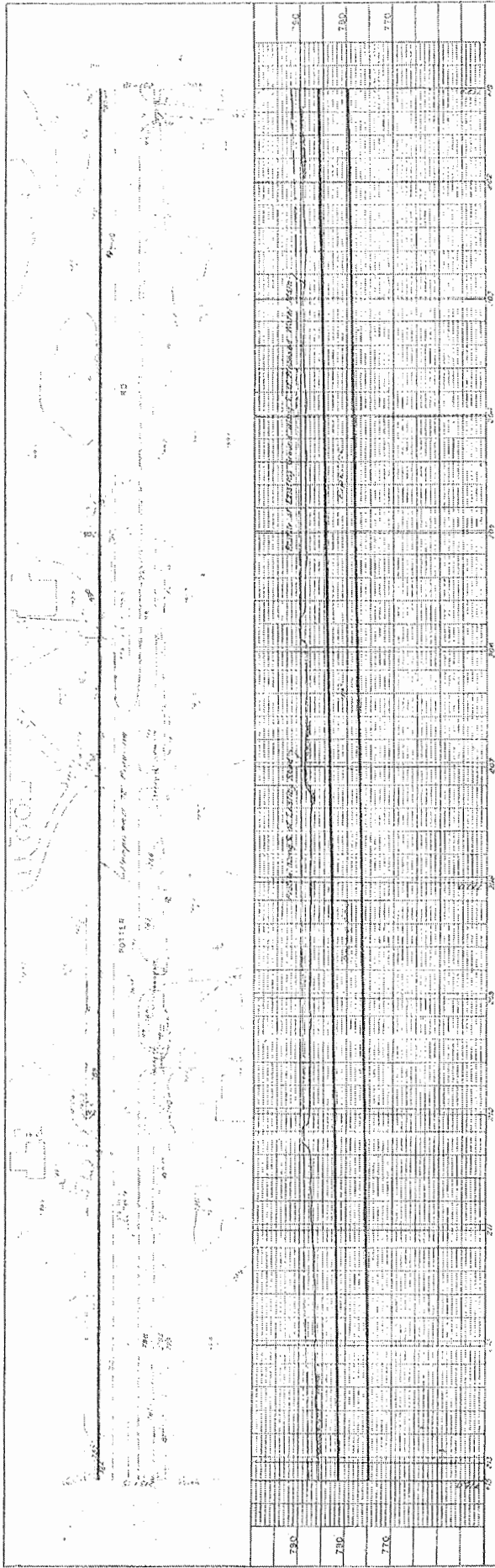
STATE & PLAN, PROFILE & P. ENGINEERS
 10000 E. 10th Ave., Flint, Mich. 48906



DATE	1914
BY	J. W. HARRIS
CHECKED BY	J. W. HARRIS
APPROVED BY	J. W. HARRIS
SCALE	1" = 100'

PROJECT	POTTER ROAD
DATE	1914
BY	J. W. HARRIS
CHECKED BY	J. W. HARRIS
APPROVED BY	J. W. HARRIS
SCALE	1" = 100'

MADE IN U.S.A. BY THE BUREAU OF PUBLIC WORKS



FILE NO.	
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APPROVED BY	

FILE NO.	
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APPROVED BY	

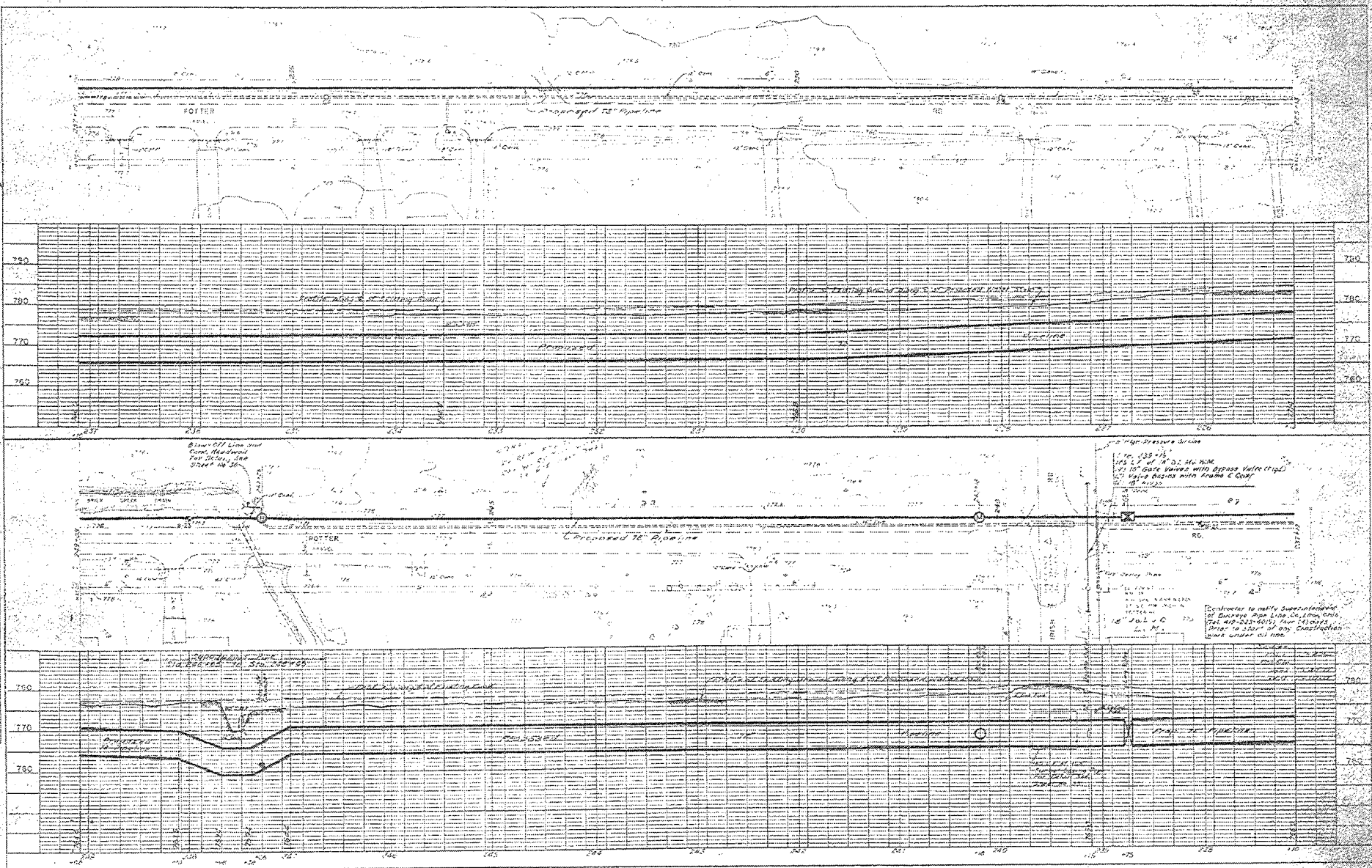
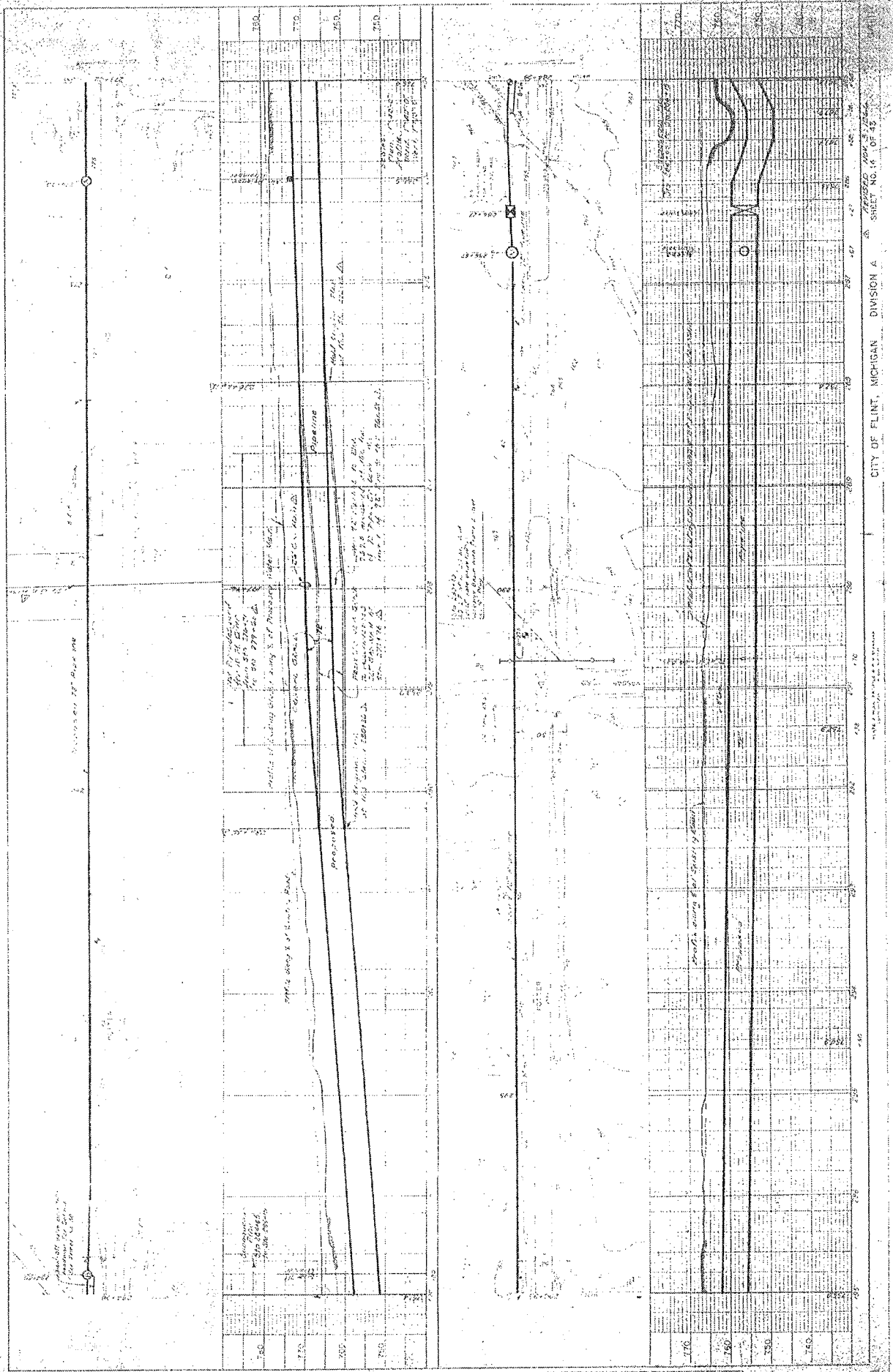
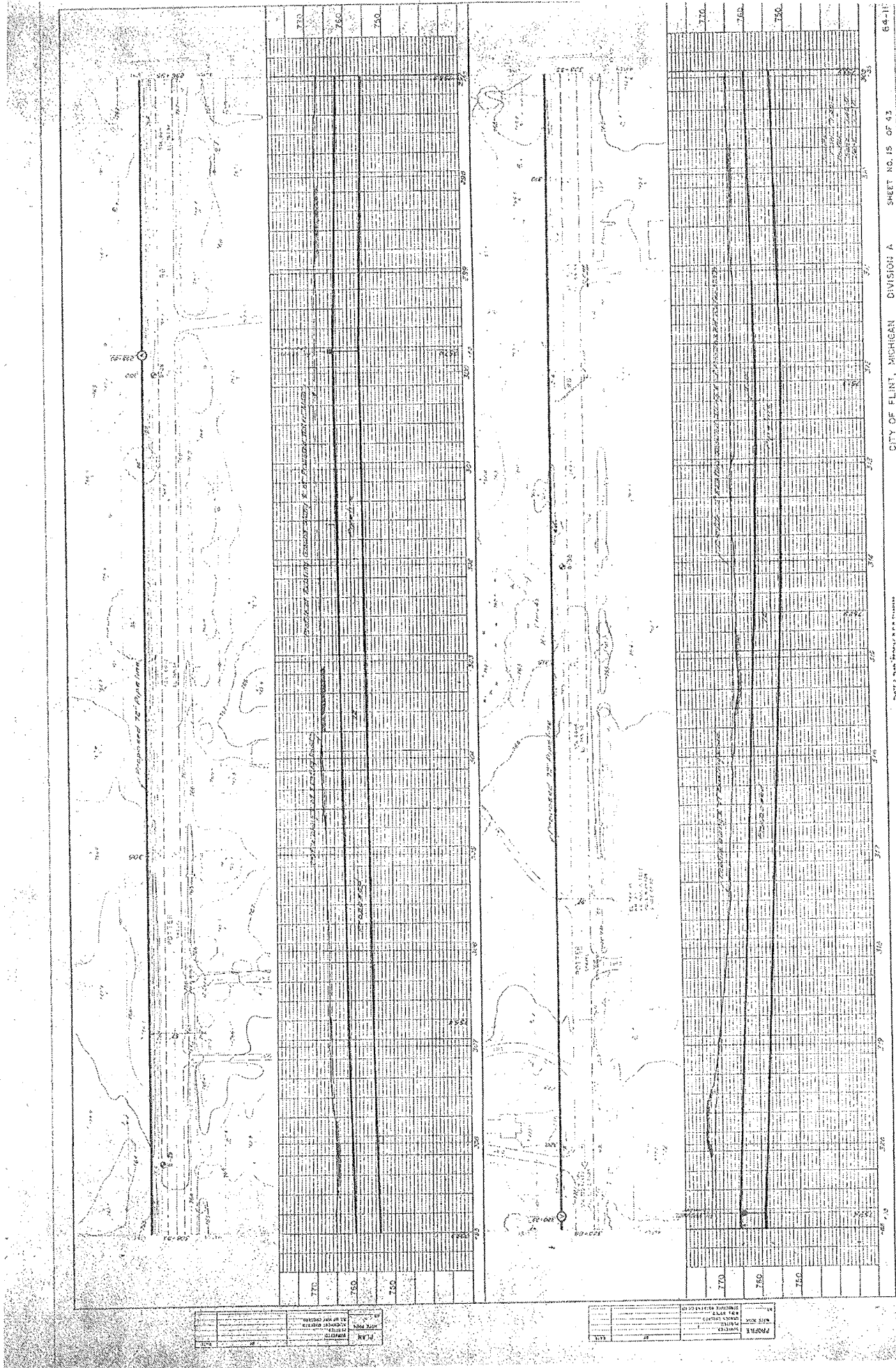


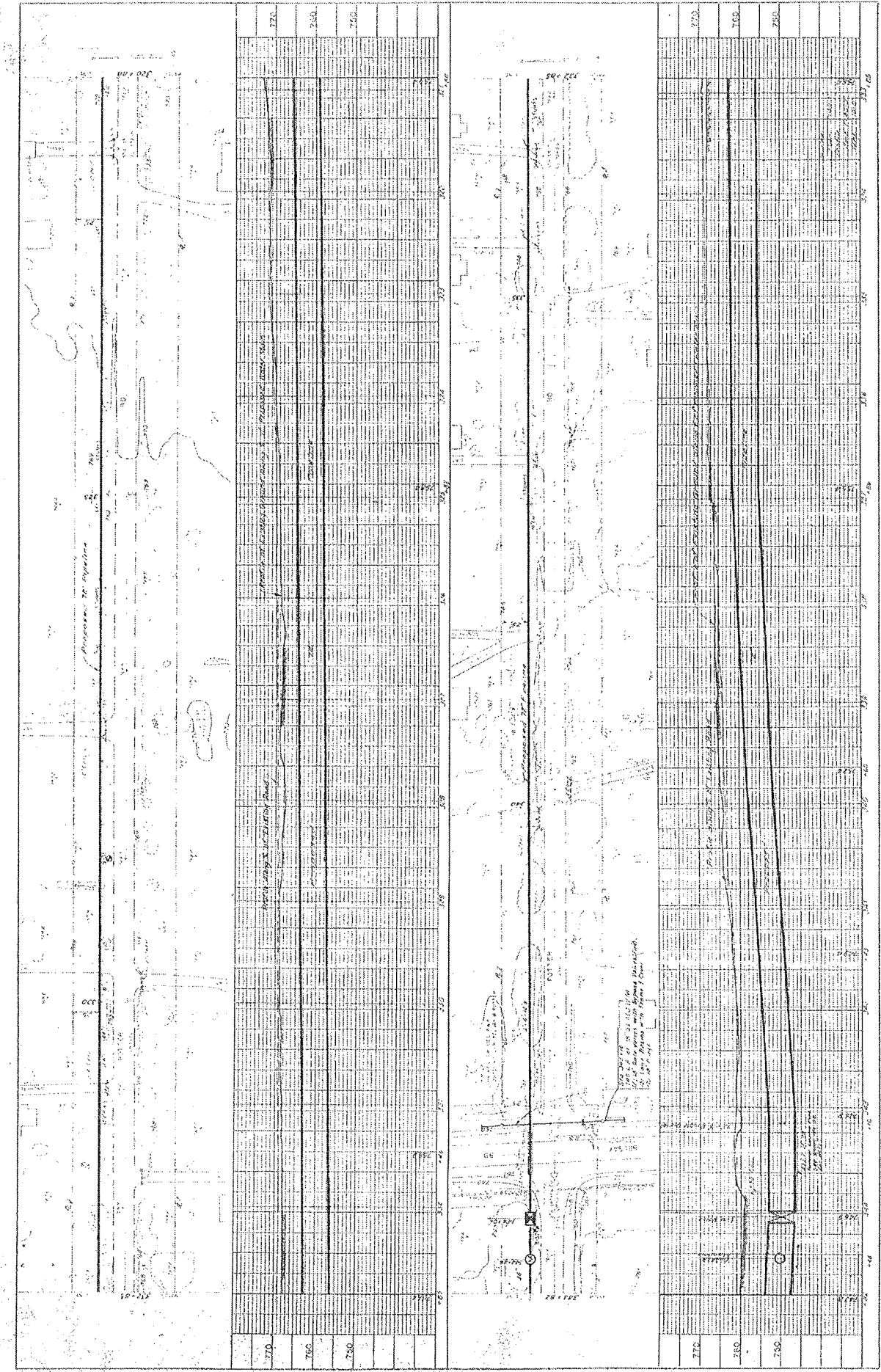
PLATE 2 PLAN, PROFILE & CROSS SECTION
 PREPARED BY T. J. HARRIS
 ENGINEER





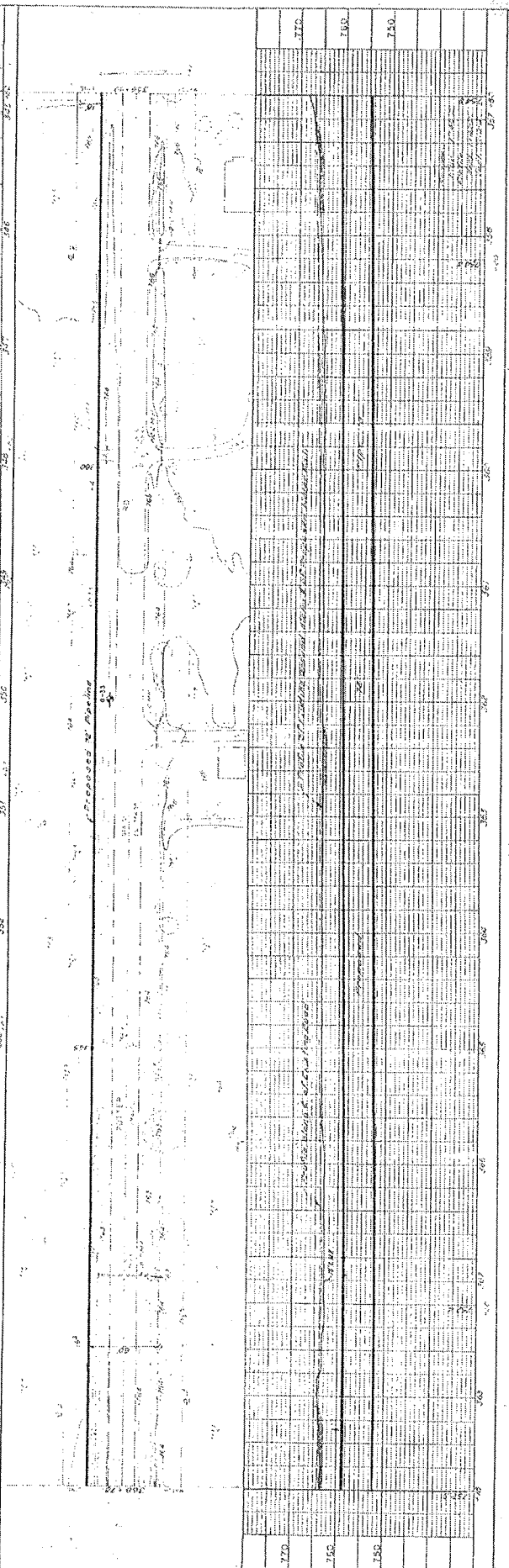
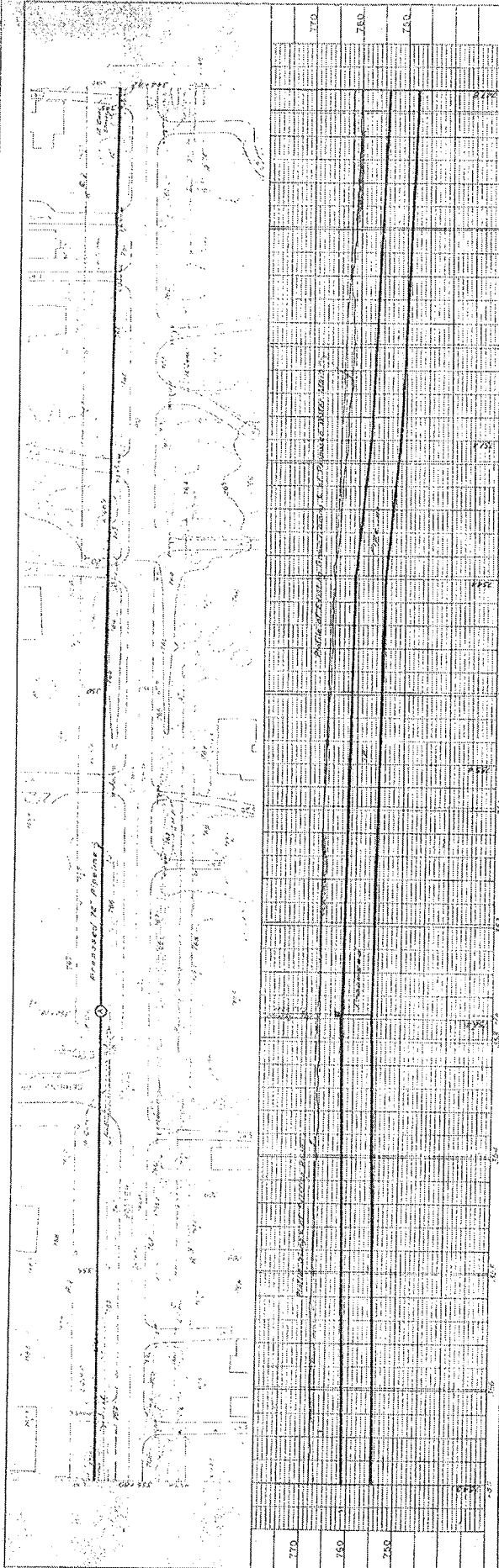
PLAN	DATE	BY
PROPOSED 24" WATER MAIN		
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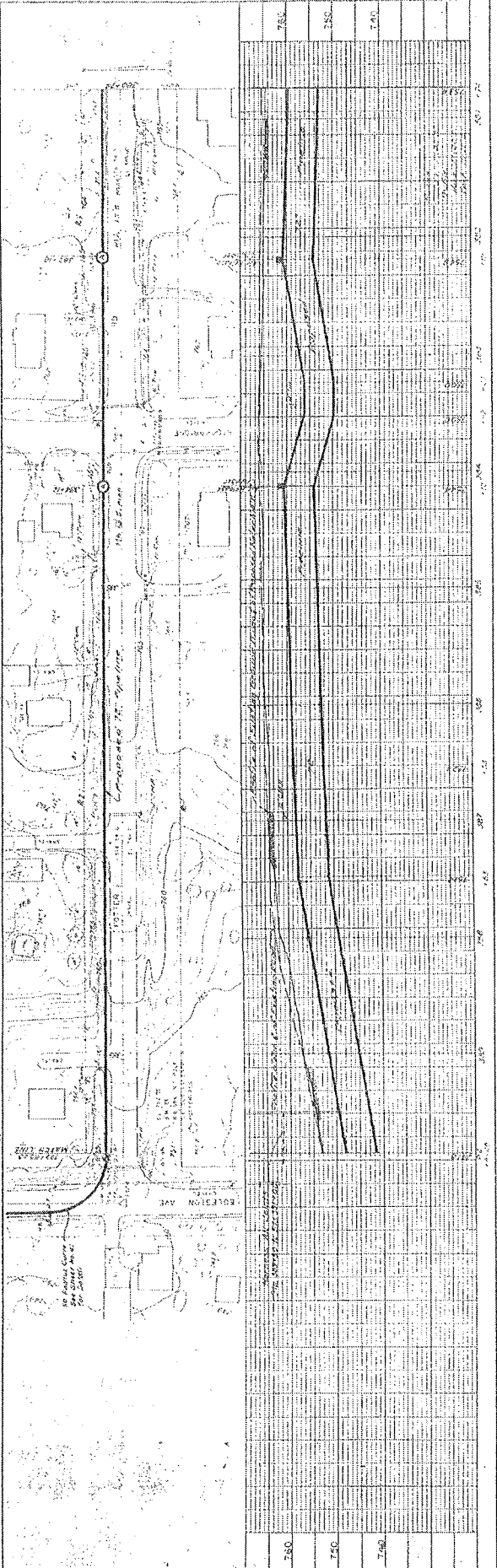
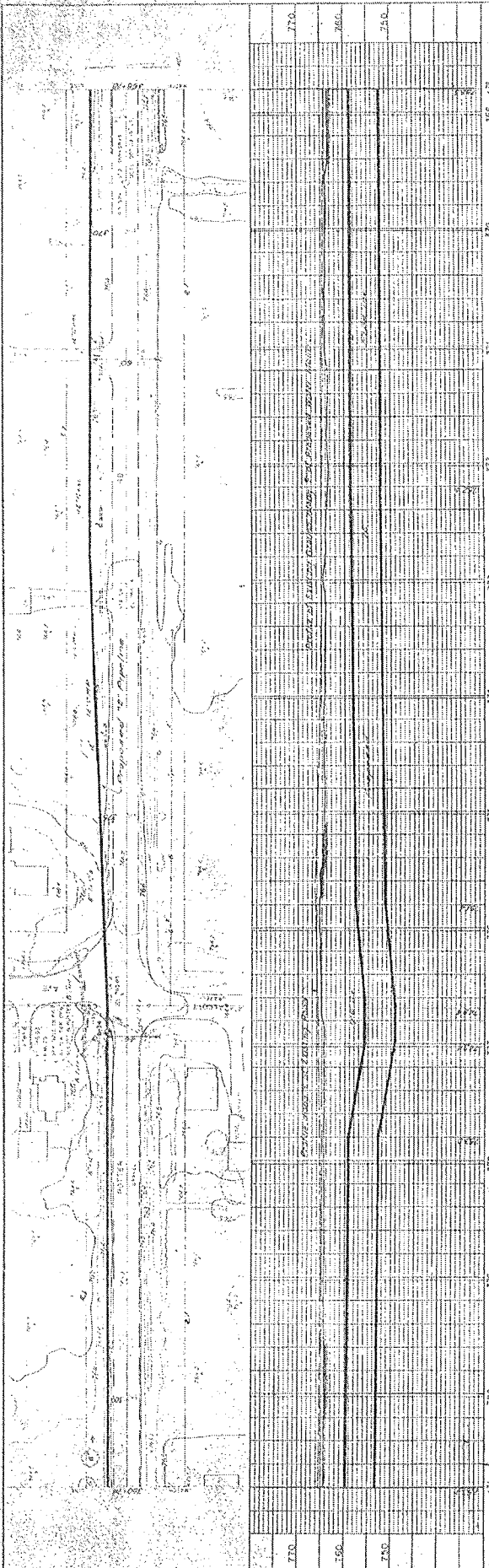
PROFILE	DATE	BY
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AS SHOWN ON SHEET 42		



DATE	BY	REVISION

DATE	BY	REVISION





PLAN	DATE	BY	CHECKED

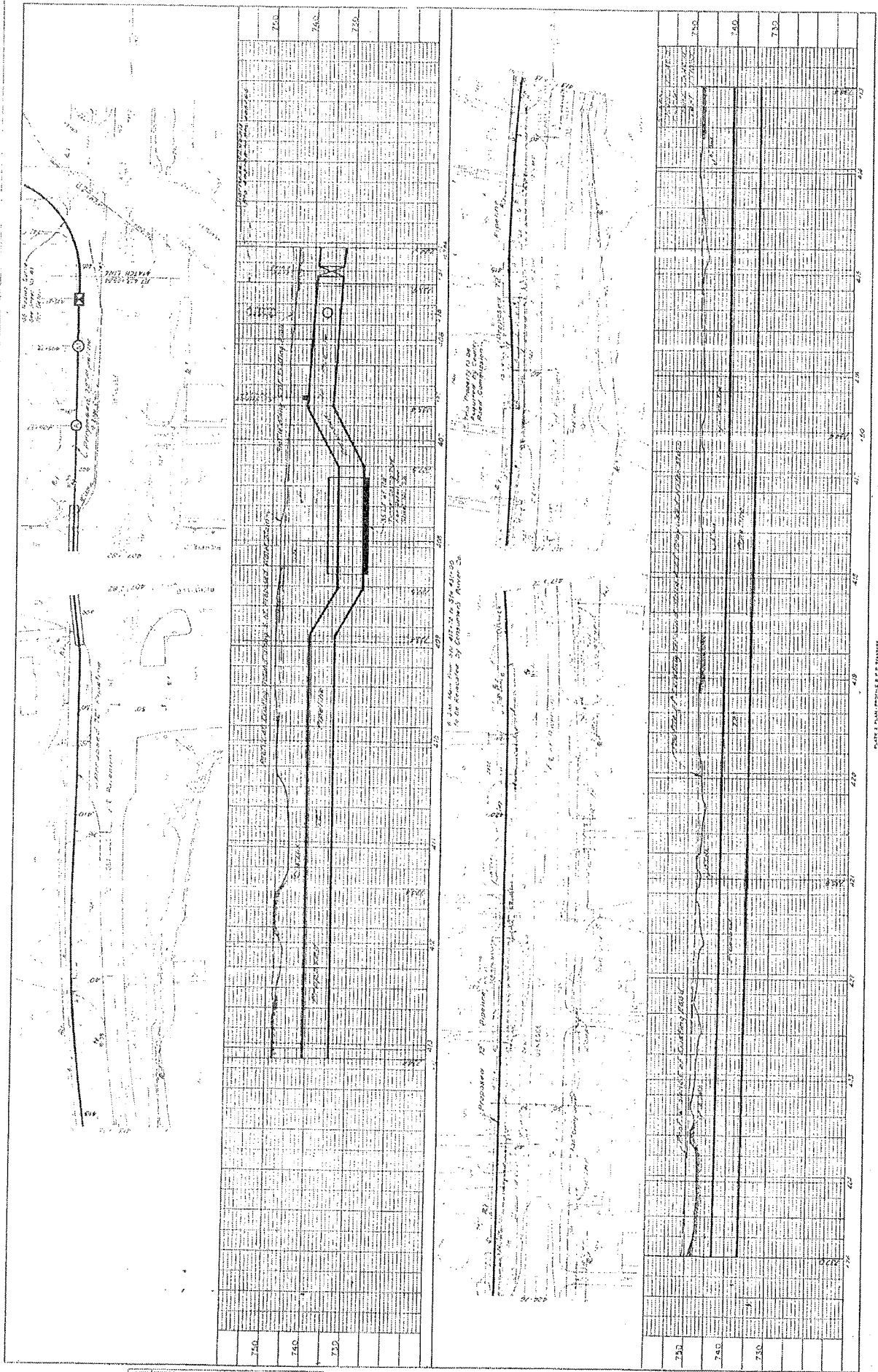
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ADDEDUM NO 1
 Revised Sheet AS 19 of 43
 Dated April 15, 1906

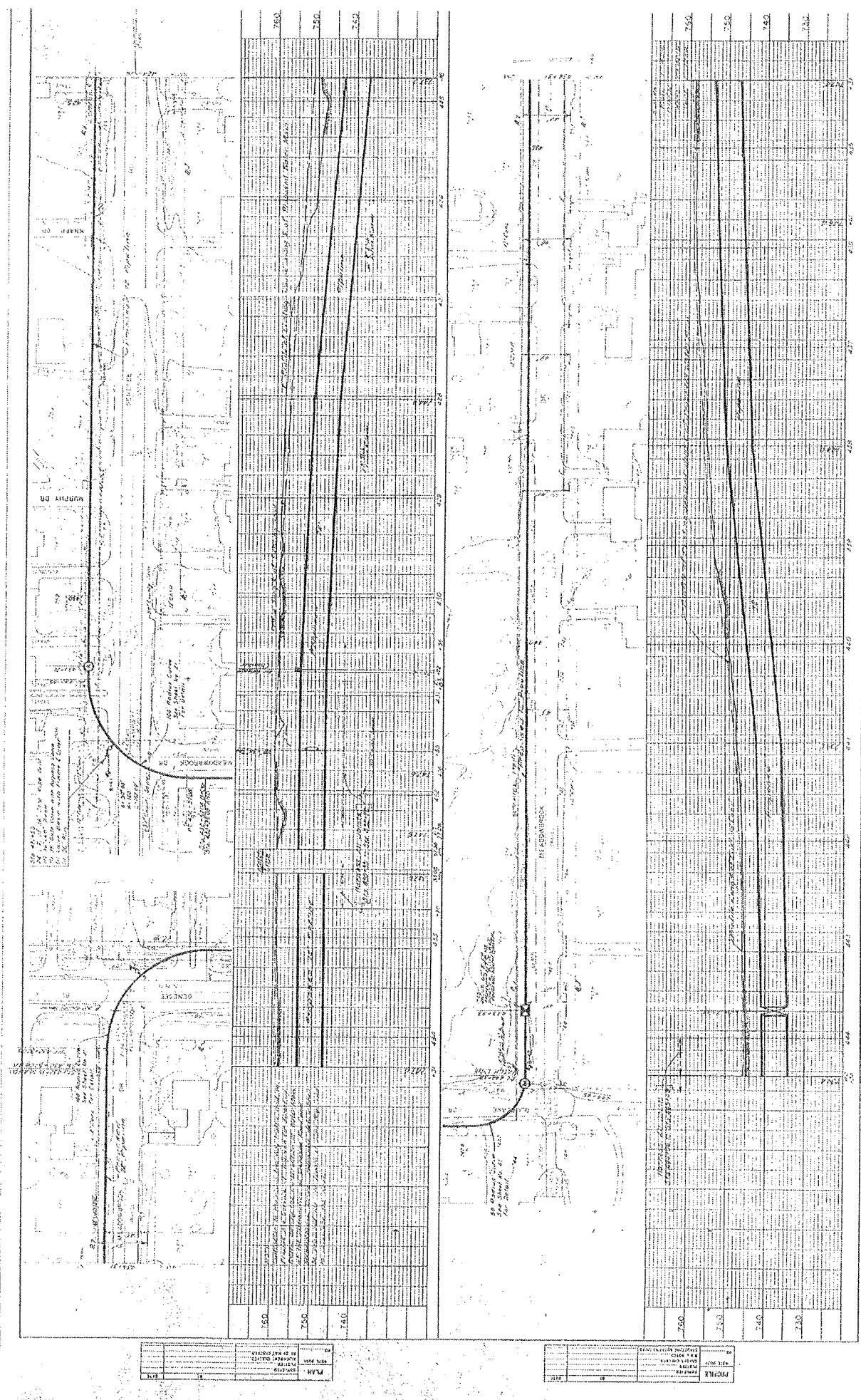
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PLAN	LEVEL	DATE	BY
740	730		
740	740		
740	750		

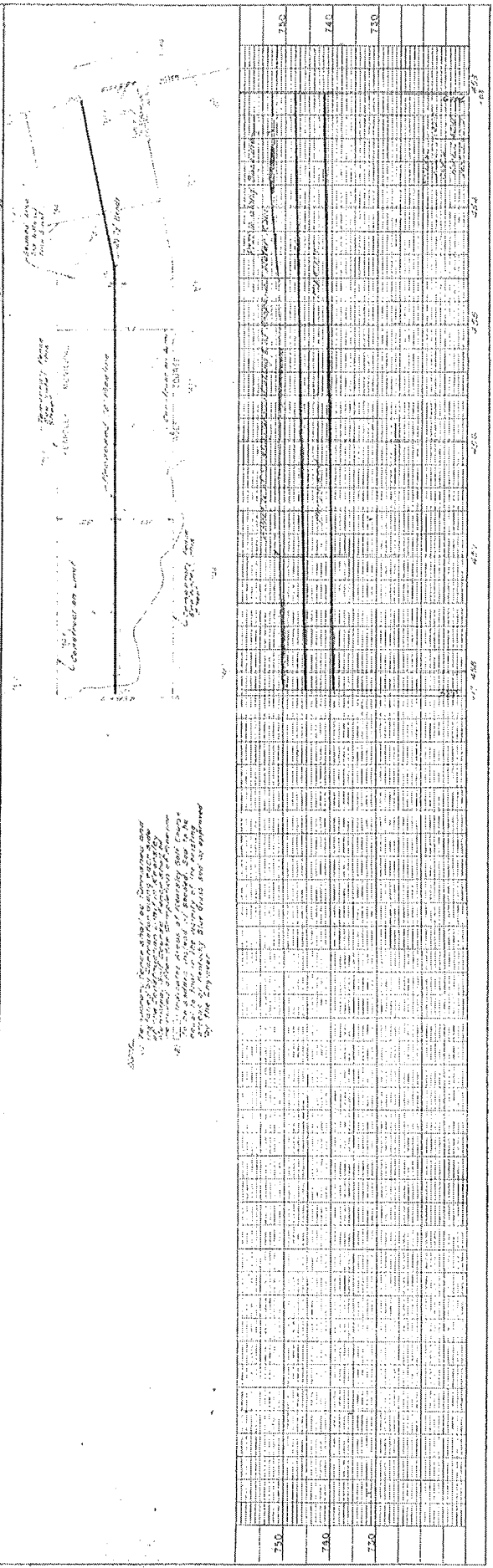
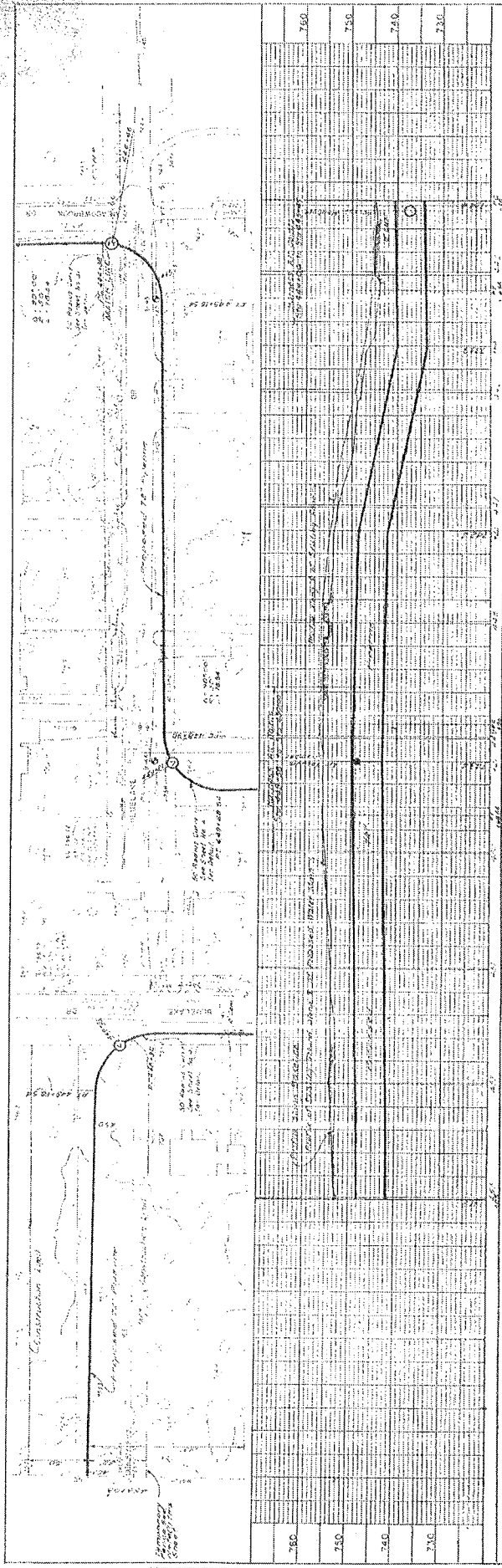
PROFILE	DATE	BY
740		
740		
740		



1. 1/4" = 1' HORIZ. SCALE
 2. 1" = 10' VERT. SCALE
 3. SEE PLAN FOR ALL DIMENSIONS
 4. SEE PLAN FOR ALL NOTES

PLAN
 1. ALL DIMENSIONS IN FEET
 2. SEE PLAN FOR ALL DIMENSIONS
 3. SEE PLAN FOR ALL NOTES

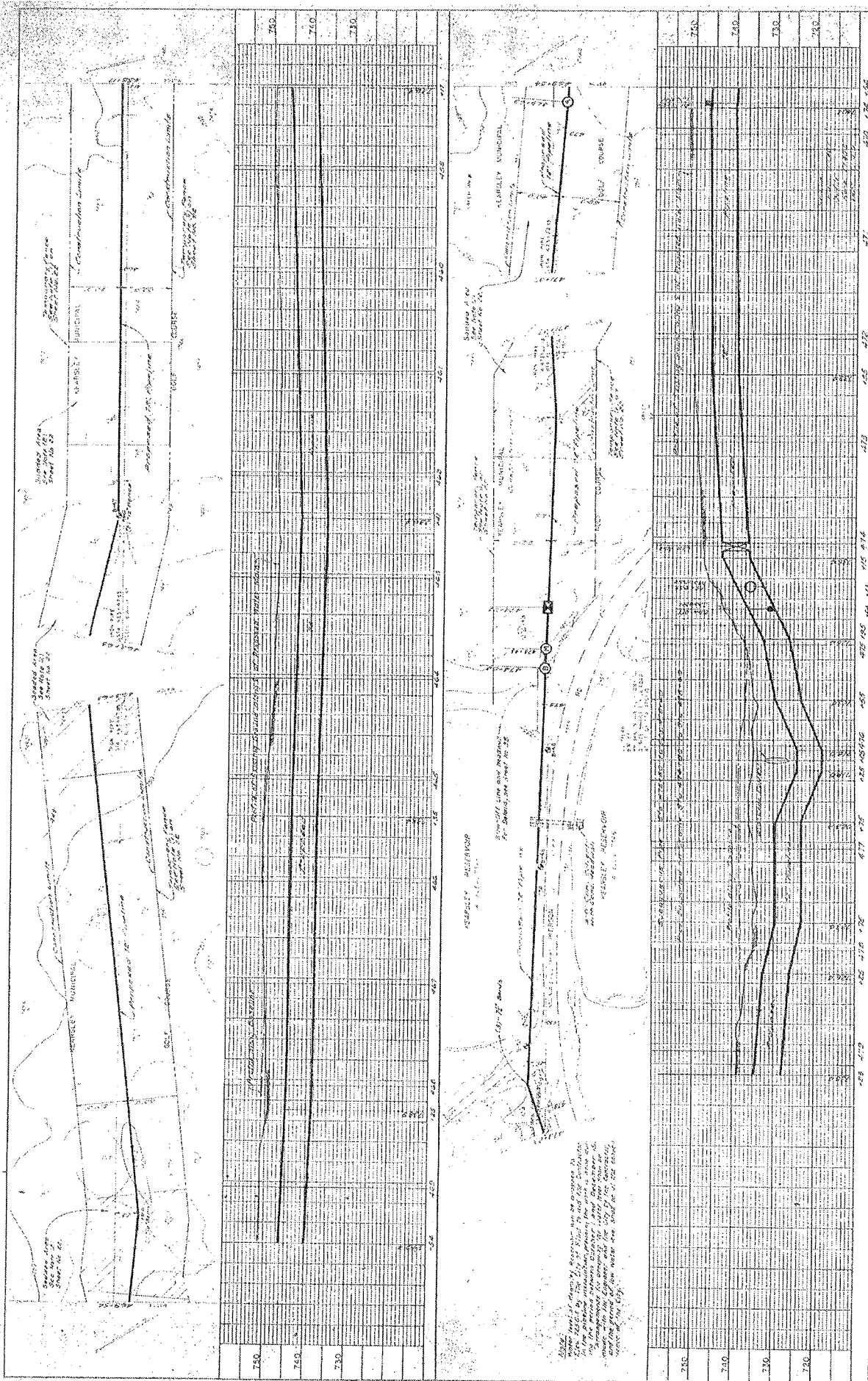
PROFILE
 1. ALL DIMENSIONS IN FEET
 2. SEE PROFILE FOR ALL DIMENSIONS
 3. SEE PROFILE FOR ALL NOTES



STATION	ELEVATION
750	
740	
730	

STATION	ELEVATION
750	
740	
730	

NOTE: The sewer line shown on this plan is proposed and is not to be constructed until the sewer line has been approved by the City Engineer. The sewer line is shown on this plan as a dashed line and is not to be constructed until the sewer line has been approved by the City Engineer.



PLAN	DATE	BY
PROPOSED	11/1/23	J.M.
REVISIONS		
NO.	DESCRIPTION	DATE
1	AS SHOWN	11/1/23

PROFILE	DATE	BY
PROPOSED	11/1/23	J.M.
REVISIONS		
NO.	DESCRIPTION	DATE
1	AS SHOWN	11/1/23

