

BASELINE AND ALL RECEIPTS TRUST AGREEMENT

**among
the City of Flint,
the Great Lakes Water Authority,
the Karegnondi Water Authority,
the Genesee County Drain Commissioner, and
U.S. Bank National Association, as Trustee**

This Baseline and All Receipts Trust Agreement (this “Agreement”) is made as of December 1, 2017 (the “Effective Date”) by and among the City of Flint, a Michigan municipality, the address of which is 1101 S Saginaw Street, Flint, Michigan 48502 (the “City”), the Great Lakes Water Authority, a Michigan municipal authority and public body corporate organized pursuant to Act 233, Public Acts of Michigan, 1955, as amended, the address of which is 735 Randolph, Detroit, Michigan 48226 (“GLWA”), the Karegnondi Water Authority, a Michigan municipal authority and public body corporate organized pursuant to Act 233, Public Acts of Michigan, 1955, as amended, the address of which is 4610 Beecher Road, Flint, Michigan 48532 (“KWA”), the Genesee County Drain Commissioner, as the designated County Agency for the County of Genesee, Michigan, pursuant to the provisions of Act 342, Public Acts of Michigan, 1939, as amended, the address of which is 4610 Beecher Road, Flint, Michigan 48532 (“GCDC”) and U.S. Bank National Association, as Trustee, a national banking association, the address of which is 535 Griswold Street, Suite 550, Detroit, Michigan 48226 (the “Trustee”). The City, GLWA, KWA, GCDC and the Trustee may be referred to individually as “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, the City and GLWA are entering into the Water Service Contract as of the date of this Agreement;

WHEREAS, under the terms of the Water Service Contract, the City is contractually obligated to make certain payments to GLWA;

WHEREAS, GLWA and GCDC are entering into the Reciprocal Backup Water Service Contract as of the date of this Agreement;

WHEREAS, under the terms of the Reciprocal Backup Water Service Contract, the GCDC Pass-Through Charges are billed from GCDC to GLWA, and those monthly service charges are assessed on a direct pass through basis from GLWA to the City pursuant to Water Service Contract;

WHEREAS, the City and KWA have previously entered into the KWA Financing Contract;

WHEREAS, under the terms of the KWA Financing Contract, the City is contractually obligated to make certain payments to KWA;

WHEREAS, the City and KWA have previously entered into the Raw Water Supply Contract;

WHEREAS, under the terms of the Raw Water Supply Contract, the City is contractually obligated to make certain payments to KWA; and

WHEREAS, the Parties are entering into this Agreement to provide for the orderly payment of amounts due to (i) GLWA under the Water Service Contract, (ii) KWA under the KWA Financing Contract, and (iii) GCDC under the Reciprocal Backup Water Service Contract.

NOW, THEREFORE, the Parties hereto, for valuable consideration the receipt of which is hereby acknowledged, agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. In this Agreement, the following words and terms shall, unless the context otherwise requires, have the following meanings:

“Aggregate Monthly Amount Due” means, as of any Monthly Due Date, the total of (i) the amount then due to GLWA under the Water Service Contract, which includes the GCDC Pass-Through Charge, as such amounts are identified by GLWA and GCDC in written notice to the Trustee and other Parties in accordance with Section 2.2, and (ii) the amount then due to KWA for KWA Designated Debt Service.

“Agreement” has the meaning set forth in the introductory paragraph of this Agreement.

“All Receipts Trust Fund” means the trust fund created by the Trustee pursuant to Section 4.1 of this Agreement.

“Applicable Monthly Statement Date” has the meaning set forth in Section 2.1.

“Baseline Trust Fund” means the trust fund created by the Trustee pursuant to Section 3.1 of this Agreement.

“Business Day” means any day other than (i) a Saturday, Sunday or legal holiday on which banking institutions in Detroit, Michigan or the designated corporate trust office of the Trustee is located are authorized by law to close, or (ii) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed.

“City” has the meaning set forth in the introductory paragraph of this Agreement.

“Conversion Date” means the date on which the Trustee mails the Notice of Second Failure to Deposit in the Baseline Trust Agreement together with Notice of Conversion to All Receipts Trust Agreement, pursuant to Section 3.5.

“Effective Date” has the meaning set forth in the introductory paragraph of this Agreement.

“First Instance of Failure to Deposit” has the meaning set forth in Section 3.4 hereof.

“GCDC” has the meaning set forth in the introductory paragraph of this Agreement.

“GLWA” has the meaning set forth in the introductory paragraph of this Agreement.

“GCDC Pass-Through Charge” means the monthly service charge that is billed from GCDC to GLWA under the terms of the Reciprocal Backup Water Service Contract, and the monthly service charge is assessed on a direct pass through basis from GLWA to the City pursuant to Water Service Contract.

“KWA” has the meaning set forth in the introductory paragraph of this Agreement.

“KWA Bonds” means, collectively, the Series 2014 Bonds, the Series 2016 Bonds and any bonds hereafter issued by KWA pursuant to the KWA Financing Contract (including any future supplement or amendment thereto) to refund, directly or indirectly through a series of refundings, all or any portion of the outstanding Series 2014 Bonds or Series 2016 Bonds.

“KWA Designated Debt Service” means the sum of (1) the City’s share of the debt service on the KWA Bonds required to be paid by the City under the KWA Financing Contract, which amount (a) is required to be paid by the City to KWA on a monthly basis pursuant to the Attachment entitled “Cost Calculation Methodology per Unit for KWA Debt Service – All Payments are Estimated” to the First Addendum dated March 6, 2014 to the Raw Water Supply Contract, and (b) is subject to adjustment as described in Section 2.07 of the Raw Water Supply Contract and the Attachment entitled “Cost Calculation Methodology per Unit for KWA Debt Service – All Payments are Estimated” to the First Addendum dated March 6, 2014 to the Raw Water Supply Contract, (2) the City’s share of the annual transfer agent fees with respect to the KWA Bonds, and (3) in the event the failure of the City to pay its share of debt service on the KWA Bonds as required by the KWA Financing Contract results in a draw on any debt service reserve fund for the KWA Bonds, and the City is obligated to replenish such debt service reserve fund pursuant to the terms of Exhibit B of the KWA Financing Contract, then any such payments required to be paid by the City to KWA to replenish such debt service reserve fund. For the avoidance of doubt, the City’s share of the debt service on the KWA Bonds required to be paid by the City pursuant to the KWA Financing Contract as described in clause (1) of this definition includes the City’s share of the debt service on the “Intake Bonds” as provided in the Raw Water Supply Contract, which are the \$35,000,000 original principal amount Water Supply System Revenue Bonds (Limited Tax General Obligation), Series 2013, issued by the County of Genesee and dated October 3, 2013.

“KWA Financing Contract” means the Karegnondi Water Authority Financing Contract among KWA, the City and the County of Genesee, dated as of August 1, 2013, as the same may be supplemented or amended from time to time.

“Monthly Due Date” means the 30th day of each month immediately following the month in which the Applicable Monthly Statement Date occurs except for the month of February, in which case the Monthly Due Date is the last day of the month of February. For example, the Applicable Monthly Statement Date for water supplied in January would be February 20 and the Monthly Due Date for such payment would be March 30.

“Party” and “Parties” have the meanings set forth in the introductory paragraph of this Agreement.

“Raw Water Supply Contract” means the Raw Water Supply Contract between the City and KWA, dated as of June 28, 2013, as amended by the First Addendum thereto dated March 6, 2014, and as amended by the Second Addendum thereto dated as of the date of this Agreement.

“Reciprocal Backup Water Service Contract” means the Reciprocal Backup Water Service Contract between GLWA and GCDC, dated the date of this Agreement, pursuant to which certain backup water services are provided.

“Series 2014 Bonds” means the \$220,500,000 original principal amount Water Supply System Bonds (Karegnondi Water Pipeline), Series 2014A, issued by KWA pursuant to the KWA Financing Contract.

“Series 2016 Bonds” means the \$74,370,000 original principal amount Water Supply System Bonds (Karegnondi Water Pipeline), Series 2016, issued by KWA pursuant to the KWA Financing Contract.

“Trustee” has the meaning set forth in the introductory paragraph of this Agreement.

“Underlying Contracts” means, collectively, the Water Service Contract, the KWA Financing Contract, the Raw Water Supply Contract and the Reciprocal Backup Water Service Contract.

“Water Service Contract” means the Water Service Contract between the City and GLWA, dated the date of this Agreement, pursuant to which GLWA supplies potable water to the City.

ARTICLE II

PAYMENT TERMS ON THE UNDERLYING CONTRACTS

Section 2.1 Payments Due under the Underlying Contracts. The City's obligations under the Underlying Contracts include the obligations to make payments as follows:

(a) The monthly payments under the Water Service Contract vary from month to month based on, among other factors, the amount of water supplied by GLWA to the City and the GCDC Pass-Through Charge. GLWA agrees to provide a monthly statement to the City by no later than the 20th day of the calendar month following the applicable month in which the water was supplied (each such date, the "Applicable Monthly Statement Date") and the City agrees to pay such amount prior to the respective Monthly Due Date, subject to Section 12.02 of the Water Service Contract. Each such monthly statement shall provide for a credit equal to (i) the payment, if any, actually made by the Trustee to GCDC for the GCDC Pass-Through Charge reflected on such monthly statement, and (ii) the payment, if any, actually made by the Trustee to KWA for debt service on the KWA Bonds on the Monthly Due Date, as reflected on Schedule 1.

(b) The monthly payments for the KWA Designated Debt Service are fixed amounts based on the City's share of the debt service on the KWA Bonds. Set forth on Schedule 1 are the monthly installments the City has agreed to pay for the KWA Designated Debt Service, and the respective Monthly Due Dates for such payments. Within thirty (30) days following the issuance by KWA of any series of KWA Bonds for the purpose of refunding any then outstanding KWA Bonds, KWA shall deliver to the Parties a revised Schedule 1 reflecting the monthly installments the City is obligated to pay for KWA Designated Debt Service, (after taking into account the refunding), whereupon Schedule 1 shall be deemed to be amended in accordance therewith. Additionally, in the event that the failure of the City to pay its share of debt service on the KWA Bonds as required by the KWA Financing Contract results in a draw on any debt service reserve fund for the KWA Bonds, and the City is obligated to replenish such debt service reserve fund pursuant to the terms of Exhibit B of the KWA Financing Contract, then KWA shall deliver to the Parties an amendment to Schedule 1 that shall set forth any additional payments required to be made by the City to KWA to replenish such debt service reserve fund, whereupon Schedule 1 shall be deemed to be amended in accordance therewith.

(c) The GCDC Pass-Through Charges vary from month to month based on, among other factors, the volume of water provided by GCDC to the City. GCDC agrees to provide a monthly statement to the City and GLWA of the GCDC Pass-Through Charge by no later than the 15th day of the calendar month following the applicable month in which the water was supplied.

Section 2.2 Notification to Trustee and other Parties of Monthly Amounts Due. GLWA agrees to provide written notice to the Trustee, KWA and GCDC of the monthly amount due under the Water Service Contract, as set forth on the invoice provided to the City on the Applicable Monthly Statement Date, at the same time that notice of such is provided to the City. GCDC agrees to provide written notice to the Trustee and KWA of the GCDC Pass-Through Charge at the same time that notice of such is provided to the City and GLWA.

ARTICLE III

BASELINE TRUST AGREEMENT

Section 3.1 Establishment of Baseline Trust Fund. The Trustee shall establish on its books the Baseline Trust Fund. Such trust fund shall be held by the Trustee for the benefit of the City, GLWA, KWA and GCDC. All payments made to the Trustee pursuant to Section 3.2 shall be deposited in the Baseline Trust Fund.

Section 3.2 Payment by the City to the Trustee of Aggregate Monthly Amounts Due. The City shall pay to the Trustee, three Business Days prior to each Monthly Due Date, an amount equal to the Aggregate Monthly Amount Due. The amounts required to be paid to the Trustee pursuant to this section shall be transmitted via wire transfer to the Trustee pursuant to the wire transfer instructions set forth in Part A of Schedule 2.

Section 3.3 Payment by the Trustee to GLWA, KWA AND GCDC. The Trustee shall use the amounts deposited pursuant to Section 3.2 in the Baseline Trust Fund to pay GLWA, KWA and GCDC on the Monthly Due Date, or on the preceding Business Day if such Monthly Due Date is not a Business Day, the monthly amounts due to GLWA and KWA in accordance with Section 2.1 and to pay to GCDC the applicable GCDC Pass-Through Charge. Payments shall be made pursuant to the wire transfer instructions set forth in Parts B, C and D of Schedule 2. In the event that the amount deposited pursuant to Section 3.2 is less than the Aggregate Monthly Amount Due, the Trustee shall use the amount on deposit in the Baseline Trust Fund to pay GLWA, KWA and GCDC on a pro-rata basis based on the total amounts due to GLWA, KWA and GCDC on that Monthly Due Date. In the event that the amount deposited pursuant to Section 3.2 is more than the sum of the Aggregate Monthly Amount Due, the Trustee shall refund the excess to the City.

Section 3.4 First Instance of the Failure of the City to Deposit with the Trustee the Aggregate Monthly Amount Due. If the City has not deposited with the Trustee the Aggregate Monthly Amount Due by 10:00 a.m., Eastern Time, on the respective Monthly Due Date, the Trustee shall, immediately upon the first instance of such failure (the "First Instance of Failure to Deposit"), send to all of the Parties a Notice of First Failure to Deposit in the Baseline Trust Agreement, the form of which is set forth in Schedule 3.

Section 3.5 Second Instance of the Failure of the City to Deposit with the Trustee the Aggregate Monthly Amount Due. If during the term of this Agreement, the City (i) fails to cure the First Instance of Failure to Deposit within sixty (60) days of the First Instance of Failure to Deposit, or (ii) fails on a second occasion to deposit with the Trustee the Aggregate Monthly Amount Due by 10:00 a.m., Eastern Time, on the respective Monthly Due Date, then the Trustee

shall send to all of the Parties a Notice of Second Failure to Deposit in the Baseline Trust Agreement together with Notice of Conversion to All Receipts Trust Agreement, the form of which is set forth in Schedule 4.

Section 3.6 Monthly Statement. At all times prior to the Conversion Date, the Trustee shall provide all Parties, within five Business Days of the end of each calendar month, a statement showing all deposits to and payments from the Baseline Trust Fund.

ARTICLE IV

ALL RECEIPTS TRUST AGREEMENT

Section 4.1 Establishment of All Receipts Trust Fund. Following the Conversion Date, the Trustee shall establish on its books the All Receipts Trust Fund. Such trust fund shall be held by the Trustee for the benefit of the City, GLWA, KWA and GCDC. All payments made to the Trustee pursuant to Section 4.2 shall be deposited in the All Receipts Trust Fund.

Section 4.2 Deposits to the All Receipts Trust Fund. On the date of this Agreement, the City shall establish and keep in existence a new deposit account with one of its primary banking institutions entitled “Flint All Receipts Receiving Account” and such banking institution, the City and the Trustee shall enter into an Account Control Agreement acceptable to the Parties granting the Trustee control over such deposit account and specifying the manner in which the Trustee may access funds under such account.

Within 60 days following the Conversion Date, the City shall provide for all receipts from all of its sewer and water customers to be paid directly to the Trustee and upon receipt by the Trustee such funds shall be deposited in the All Receipts Trust Fund. Additionally, any receipts received by the City from its sewer and water customers during the 60 days following the Conversion Date that are not paid directly to the Trustee shall be deposited by the City into the Flint All Receipts Receiving Account and then paid by the City to the Trustee for deposit in the All Receipts Trust Fund, on a weekly basis, and such weekly transfer shall be made on the Thursday of each week, except that if any given Thursday falls on a day that is not a Business Day, then on the first Business Day thereafter.

If after such 60 day period, notwithstanding the above, the City receives any such payments from its sewer and water customers, the City shall deposit such payments into the Flint All Receipts Receiving Account and thereafter shall be paid by the City to the Trustee for deposit in the All Receipts Trust Fund, on a weekly basis, and such weekly transfer shall be made on the Thursday of each week, except that if any given Thursday falls on a day that is not a Business Day, then on the first Business Day thereafter.

At least five (5) business days prior to each Monthly Due Date following the Conversion Date, the City shall provide a statement to the Trustee, GLWA, KWA and GCDC of the amount of money in the All Receipts Trust Fund received from payments on invoices (including the allocable share of any penalties or fines paid with respect to such invoices) from the City’s sanitary sewer system enterprise fund. Within twenty (20) calendar days following the Conversion Date, the Parties shall agree on a methodology for how the Trustee shall notify the

City of receipts into the All Receipts Trust Fund and how the City shall determine the amount of such receipts allocable to its sanitary sewer system enterprise fund, provided that such allocation shall be based on the same methodology that that the City uses as of the Effective Date to allocate receipts between its sanitary sewer system enterprise fund and its water system enterprise fund.

Section 4.3 Payment by the Trustee from the All Receipts Trust Fund. On each Monthly Due Date, the Trustee shall use the amounts deposited pursuant to Section 4.2 in the All Receipts Trust Fund to make the following payments, in the following order:

- (a) The amount of money in the All Receipts Trust Fund received from payments on invoices (including the allocable share of any penalties or fines paid with respect to such invoices) from the City's sanitary sewer system shall be transferred to the City, for deposit in the City's sanitary sewer system enterprise fund or as otherwise directed in writing by the City;
- (b) Next, remaining amounts in the All Receipts Trust Fund shall be used to pay GLWA, KWA and GCDC the monthly amounts due to GLWA, KWA and GCDC on that Monthly Due Date in accordance with Section 2.1;
- (c) Any remaining amounts after the transfers set forth in (a) and (b) above shall be transferred to or at the direction of the City, for deposit in the City's water system enterprise fund or as otherwise directed in writing by the City;
- (d) In the event that after the transfer required by (a) above, there are not sufficient funds to pay the amounts due in (b) above, then all available funds after the transfer in (a) shall be used to pay GLWA, KWA and GCDC on a pro-rata basis based on the total amounts due to GLWA, KWA and GCDC on that Monthly Due Date, including any amounts due as a result of insufficient payments on prior Monthly Due Dates.

Section 4.4 Monthly Statement. At all times following the Conversion Date, the Trustee shall provide all Parties, within five Business Days of the end of each calendar month, a statement showing all deposits to and payments from the All Receipts Trust Fund.

Section 4.5 Reestablishment of Baseline Trust Agreement. On the six year anniversary date of the Conversion Date, the City, GLWA, KWA and GCDC may, by mutual written consent, which consent is subject to the sole discretion of each such Party, provide for the reestablishment of the Baseline Trust Fund to replace the All Receipts Trust Fund. Any such written consent shall be in a written agreement that sets forth the mechanics for the reestablishment of the Baseline Trust Fund.

ARTICLE V

PROVISIONS REGARDING THE TRUSTEE

Section 5.1 Acceptance of Trusts. The Trustee hereby accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article V, to all of which the City, GLWA and KWA agree.

Section 5.2 No Responsibility for Recitals. The Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of the recitals, statements or representations made in this Agreement.

Section 5.3 Limitations on Liability. The Trustee undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. The Trustee has no fiduciary or discretionary duties of any kind. The Trustee's permissive rights shall not be construed as duties. The Trustee shall have no liability under and no duty to inquire as to the provisions of any document other than this Agreement, including without limitation any other agreement between any or all of the parties hereto or any other persons even though reference thereto may be made herein and whether or not a copy of such document has been provided to the Trustee.

The Trustee may execute any of the powers hereof and perform the duties required of it hereunder by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder and shall incur no liability whatsoever for actions taken in good faith and in accordance with the advice of such counsel. The Trustee shall not be answerable for the exercise of any discretion or power under this Agreement or for anything whatsoever in connection with the trust created hereby, except only for its own gross negligence, fraud or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special, consequential or punitive damages or penalties of any kind (including, but not limited to lost profits), even if the Trustee has been advised of the likelihood of such damages or penalty and regardless of the form of action.

The Trustee shall not be liable for any error of judgment made in good faith by any of its directors, officers, employees or agents, unless it shall be established that the Trustee engaged in gross negligence, fraud or willful misconduct in ascertaining the pertinent facts.

The Trustee shall be protected in acting upon opinions of counsel and upon any notice, request, consent, certificate, order, affidavit, letter, or other paper or document (including electronic transmissions) believed to be genuine and correct and to have been signed or sent by an authorized representative of such person or persons.

All moneys received by the Trustee, until used or applied or invested as herein provided, shall be held as special trust funds for the purposes specified in this Agreement. Such moneys need not be segregated from other funds except to the extent required by law or herein provided, and the Trustee shall not otherwise be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

The Trustee shall not be obligated to take any legal action in connection with this Agreement or any other matter or to appear in, prosecute or defend any such legal action. No provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

Section 5.4 Compensation, Expenses, Advances and Indemnification. The Trustee shall be entitled to such compensation for services as shall be agreed upon by the Parties hereto and, absent such agreement, to reasonable compensation for its services rendered hereunder, including expenses, charges, disbursements, extraordinary time and services (not limited by any provision of law in regard to the compensation of the trustee of an express trust) and to reimbursement promptly for its actual out-of-pocket expenses (including fees and expenses of counsel, accountants, consultants and other experts, agent fees and expenses and Trustee's costs of enforcement of this Section 5.4) reasonably incurred in connection with the Trustee's services or any claim asserted against the Trustee by any Party hereto or any other person or entity in connection with this Agreement, except to the extent determined by a court of competent jurisdiction to have been directly caused by the Trustee's gross negligence, fraud or willful misconduct. In no event will the Trustee look to the moneys in the Baseline Trust Fund or the All Receipts Trust Fund for compensation for its services or expenses.

Section 5.5 Good Faith Reliance. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice (including telephonic notice), email, or facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board, body or person or to have been prepared and furnished pursuant to any of the provisions of this Agreement or upon the written opinion of any attorney, engineer, accountant or other expert believed by the Trustee, to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

Section 5.6 Resignation and Removal of Trustee. The Trustee may resign and be discharged of the trusts created by this Agreement by executing an instrument in writing resigning such trust and specifying the date when such resignation shall take effect, and filing the same with the Parties hereto not less than 45 calendar days before the date specified in such instrument when such resignation shall take effect. Such resignation shall take effect on the day specified in such instrument and notice, unless previously a successor Trustee shall have been appointed by the Parties, in which event such resignation shall take effect immediately upon the appointment of such successor Trustee. Notwithstanding the above, such resignation shall not be effective until a successor Trustee has assumed the Trustee's duties hereunder. The Trustee may be removed with the prior written consent of GLWA, KWA, GCDC and the City upon 30 calendar days' prior written notice, provided that at the effective time of removal a successor Trustee has been appointed by such Parties and the successor Trustee has assumed the Trustee's duties hereunder.

Section 5.7 Successor Trustee. Any successor Trustee shall be a corporation or association organized and doing business under the laws of the United States or the State of Michigan, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 and subject to the supervision or examination by federal or state authority. Any successor Trustee shall execute, acknowledge and deliver to the Parties and the Trustee an instrument accepting such appointment hereunder, and the Trustee

shall immediately execute and deliver an instrument transferring to such successor Trustee, subject to the terms of this Agreement, all the rights, powers and trusts of the Trustee hereunder.

Section 5.8 Successor by Merger or Consolidation. Any corporation into which any Trustee hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party or any corporation succeeding to the corporate trust business of the Trustee, shall be the successor Trustee under this Agreement, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Agreement to the contrary notwithstanding.

Section 5.9 Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 5.10 Permitted Investments. Moneys in the Baseline Trust Fund and the All Receipts Trust Fund shall be invested by the Trustee in the following investment fund maintained by the Trustee: First American Funds Government Obligation Fund. In the event such fund is not offered by the Trustee in the future, then such moneys shall be invested as may be jointly directed in writing by the City, GLWA, KWA and GCDC.

The other Parties recognize and agree that the Trustee will not provide supervision, recommendations or advice relating to either the investment of funds or the purchase or disposition of any investment and the Trustee shall not have any liability for any loss in an investment made pursuant to the terms of this Agreement. The Trustee has no responsibility whatsoever to determine the market or other value of any investment and makes no representation or warranty as to the accuracy of any such valuations. To the extent applicable regulations grant rights to receive brokerage confirmations for certain security transactions, the City, GLWA, KWA and GCDC waive receipt of such confirmations.

The Trustee may elect, but shall not be obligated, to credit the Baseline Trust Fund and/or the All Receipts Trust Fund with funds representing income or principal payments due on, or sales proceeds due in respect of, assets in the Baseline Trust Fund and/or the All Receipts Trust Fund, or to credit to the Baseline Trust Fund and/or the All Receipts Trust Fund assets intended to be purchased with such funds, in each case before actually receiving the requisite funds from the payment source, or to otherwise advance funds for Baseline Trust Fund and/or All Receipts Trust Fund transactions. The City, GLWA, KWA and GCDC acknowledge that the trust's legal obligation to pay the purchase price of any assets arises immediately at the time of the purchase. Notwithstanding anything else in this Agreement, (i) any such crediting of funds or assets shall be provisional in nature, and the Trustee shall be authorized to reverse or offset any such transactions or advances of funds in the event that it does not receive good funds with respect

thereto, and (ii) nothing in this Agreement shall constitute a waiver of any of the Trustee's rights as a securities intermediary under Uniform Commercial Code §9-206.

ARTICLE VI

GENERAL TERMS

Section 6.1 Term of the Agreement. This Agreement will be in effect as of the Effective Date and shall continue in effect until no amounts are due pursuant to the Underlying Contracts. Notwithstanding the foregoing, the parties agree that at such time that no further amounts are due under the KWA Financing Contract and the Raw Water Supply Contract for debt service related to the KWA Bonds, then the City, GLWA, KWA and GCDC may, by mutual written consent, which consent is subject to the sole discretion of each such Party, terminate this Agreement.

Section 6.2 Potential Payments from the State Treasurer to KWA on Behalf of the City. Any payments by the State Treasurer to KWA on behalf of the City pursuant to Section 10 of the KWA Financing Contract shall be applied to past due KWA Designated Debt Service payments and the City shall notify the Trustee, GLWA, KWA and GCDC that such payments have been applied to such past due KWA Designated Debt Service payments.

Section 6.3 Notices. Any notice to be given in connection with any of the terms or provisions of this Agreement shall be in writing and be given in person, by delivery service, by facsimile transmission, or by mail, and shall become effective (a) on delivery if given in person, (b) on the date of delivery if sent by delivery service, (c) on the date of delivery if sent by facsimile transmission or other similar unsecured electronic methods, or (d) five Business Days after being deposited in the mail, with proper postage for first class registered or certified mail, prepaid.

Until notified in writing by the appropriate Party of a change to a different address, notices shall be addressed as follows:

- (i) if to the City:

Mayor
City of Flint
1101 S. Saginaw Street
Flint, Michigan 48502

Attention: City Attorney

- (ii) if to the GLWA:

Great Lakes Water Authority
735 Randolph Street, Suite 1901
Detroit, Michigan 48226

Attention: General Counsel

(iii) if to the KWA:

Karegnondi Water Authority
G-4610 Beecher Road
Flint, Michigan 48532

Attention: Chief Executive Officer

(iv) if to the GCDC:

Genesee County Drain Commissioner
Division of Water and Waste Services
G-4610 Beecher Road
Flint, Michigan 48532

Attention: Drain Commissioner

(v) if to the Trustee:

U.S. Bank National Association
535 Griswold Street, Suite 550
Detroit, Michigan 48226

Attention: Global Corporate Trust Service

Section 6.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

Section 6.5 Amendments. This Agreement may be amended or revised only by a written agreement signed by all of the Parties hereto.

Section 6.6 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be deemed to be one and the same document. When all Parties hereto have executed at least one counterpart, this Agreement shall be binding on all the Parties hereto.

Section 6.7 Binding Effect; Assignment. This Agreement shall be binding upon the Parties to this Agreement and upon their respective successors. No Party to this Agreement may assign this Agreement without the prior written consent of the other Parties to this Agreement.

Section 6.8 Entire Agreement. This Agreement, including the schedule and exhibits hereto (which are incorporated herein by reference), embodies the entire Agreement and understanding between the Parties as to the matters addressed in this Agreement.

Section 6.9 Continuing Effectiveness of Underlying Contracts. The City and each of the other Parties hereto acknowledge and agree that nothing contained in this Agreement constitutes or is intended to constitute a modification, amendment or waiver of any of the Underlying Contracts, or of any term or provision of any of the Underlying Contracts, each of

which shall remain in full force and effect in accordance with the terms thereof and shall be enforceable by the applicable Parties thereto in accordance with the terms thereof.

Section 6.10 Parties in Interest. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give any person or entity, other than the Parties, any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Agreement shall be for the sole and exclusive benefit of the Parties.

Section 6.11 Representations and Warranties. The City, GLWA, KWA and GCDC each respectively make the following representations and warranties to the Trustee:

(a) It has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and this Agreement has been duly approved by all necessary action and constitutes its valid and binding agreement enforceable in accordance with its terms.

(b) Each of the applicable persons designated on Schedule 5 attached hereto has been duly appointed to act as its authorized representative hereunder and individually has full power and authority on its behalf to execute and deliver any instruction or direction, to amend, modify or waive any provision of this Agreement and to take any and all other actions as its authorized representative under this Agreement and no change in designation of such authorized representatives shall be effective until written notice of such change is delivered to each other Party to this Agreement pursuant to Section 6.3 and the Trustee has had reasonable time to act upon it.

Section 6.12 Security Measures. In the event instructions, including funds transfer instructions, address change or change in contact information are given to the Trustee (other than in writing at the time of execution of this Agreement), whether in writing, by facsimile or otherwise, the Trustee is authorized but shall not be required to seek confirmation of such instructions by telephone call-back to the applicable person or persons designated on Schedule 5 hereto, and the Trustee may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by the Trustee and shall be effective only after the Trustee has a reasonable opportunity to act on such changes. The Parties agree that the Trustee may at its option record any telephone calls made pursuant to this Section. The Trustee in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the beneficiary to identify (a) the beneficiary, (b) the beneficiary's bank, or (c) an intermediary bank, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank so designated. The Parties acknowledge that these optional security procedures are commercially reasonable.

Section 6.13 Suspension of Performance; Disbursement into Court. If, at any time, (a) a dispute exists with respect to any obligation of the Trustee hereunder, (b) the Trustee is unable to determine, to the Trustee's sole satisfaction, the Trustee's proper actions with respect to its obligations hereunder, or (c) the other Parties have not, within 30 days of receipt of a notice

of resignation, appointed a successor the Trustee to act hereunder, then the Trustee may, in its sole discretion, take either or both of the following actions:

(i) Suspend the performance of any of its obligations (including without limitation any disbursement obligations) under this Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of the Trustee or until a successor the Trustee shall have been appointed.

(ii) Petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction, in any venue convenient to the Trustee, for instructions with respect to such dispute or uncertainty and, to the extent required or permitted by law, pay into such court, for holding and disposition in accordance with the instructions of such court, all funds held hereunder, after deduction and payment to the Trustee of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by the Trustee in connection with the performance of its duties and the exercise of its rights hereunder.

The Trustee shall have no liability to the other Parties for suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise due to any delay in any other action required or requested of the Trustee.

[Remainder of page intentionally left blank]

* * * * *

Accordingly, the City, GLWA, KWA and the Trustee by and through their duly authorized officers and representatives, have executed this Agreement.

City of Flint:

By: Karen Weaver
Karen Weaver
Mayor

Attest:

By: Inez M. Brown
Inez Brown
City Clerk

Approved by
Flint City Council on:

November 21, 2017
Date

Approved as to Form by
Flint City Attorney on:

Angela Wheeler 1-9-18
Signature Date

Great Lakes Water Authority:

By: Sue F. McCormick
Sue F. McCormick
Its: Chief Executive Officer

Approved by
GLWA Board of Directors on:

November 29, 2017

Date

Approved as to Form by
GLWA General Counsel on:

[Signature] 12/13/17
Signature Date

Karegnondi Water Authority:

By: Executed in Counterpart

Its: _____

Approved by
KWA Board of Directors on:

Date

Approved as to Form by
KWA General Counsel on:

Executed in Counterpart
Signature Date

GCDC:

By: Executed in Counterpart

Its: _____

Approved as to Form by
GCDC General Counsel on:

Executed in Counterpart
Signature Date

Great Lakes Water Authority:

By: Executed in Counterpart
Sue F. McCormick
Its: Chief Executive Officer

Approved by
GLWA Board of Directors on:

Date

Approved as to Form by
GLWA General Counsel on:

Executed in Counterpart
Signature _____ Date _____

Karegnondi Water Authority:

By: [Signature]
Its: Tim F O'Brien Deputy Chief Executive Officer

Approved by
KWA Board of Directors on:

August 30, 2017

Date

Approved as to Form by
KWA General Counsel on:
[Signature] 12/22/2017
Signature _____ Date _____

GCDC:

By: [Signature]
Its: DRAIN COMMISSIONER

Approved as to Form by
GCDC General Counsel on:
[Signature] 12/22/2017
Signature _____ Date _____

U.S. Bank National Association, as Trustee:

By:

Its:


VICE PRESIDENT

Schedule 1

Monthly Amounts Due under KWA Financing Contract
and respective Monthly Due Date

The KWA Designated Debt Service monthly payments shall be made on each Monthly Due Date. Pursuant to the Trust Agreement, the Monthly Due Date is the 30th day of each month, except for the month of February, in which case the Monthly Due Date is the last day of the month of February.

The column entitled "Flint Portion" under the heading "Total Payments due from GCDC and City of Flint" on the attached spreadsheet sets forth the KWA Designated Debt Service monthly payments due from Flint to KWA. The "Payment Billing Period" on such spreadsheet is October through September of the following year. Accordingly the October monthly payment shall be due on the October 30 Monthly Due Date, and likewise each monthly payment thereafter shall be due on the 30th day of the month, with the September monthly payment being due on the September 30 Monthly Due Date.

KWA Bond \$250,000,000 Series 2014A (TIC 4.69%)									
Payment Date	Payment Amount	Total Payment	GDIC Portion	Flint Portion					
11/1/2014	\$6,027,389.06	\$6,027,389.06							
5/1/2015	\$5,563,743.75		Capitalized Interest						
11/1/2015	\$5,563,743.75	\$11,227,487.50	Capitalized Interest						
5/1/2016	\$5,563,743.75		Capitalized Interest						
11/1/2016	\$5,563,743.75	\$11,227,487.50	Capitalized Interest						
5/1/2017	\$5,563,743.75		Capitalized Interest						
11/1/2017	\$9,668,743.75	\$15,232,487.50		\$4,569,746.25					
5/1/2018	\$9,256,118.75								
11/1/2018	\$9,256,118.75	\$15,237,237.50	\$10,666,066.25	\$4,571,171.25					
5/1/2019	\$9,256,118.75								
11/1/2019	\$9,256,118.75	\$15,236,487.50	\$10,665,541.25	\$4,570,946.25					
5/1/2020	\$9,256,118.75								
11/1/2020	\$9,256,118.75	\$15,232,737.50	\$10,662,916.25	\$4,569,821.25					
5/1/2021	\$9,256,118.75								
11/1/2021	\$10,662,493.75	\$15,234,987.50	\$10,664,493.25	\$4,570,946.25					
5/1/2022	\$10,662,493.75								
11/1/2022	\$10,662,493.75	\$15,236,487.50	\$10,665,541.25	\$4,570,946.25					
5/1/2023	\$10,662,493.75								
11/1/2023	\$10,662,493.75	\$15,237,237.50	\$10,662,916.25	\$4,569,821.25					
5/1/2024	\$10,662,493.75								
11/1/2024	\$10,662,493.75	\$15,236,487.50	\$10,665,541.25	\$4,570,946.25					
5/1/2025	\$10,662,493.75								
11/1/2025	\$10,662,493.75	\$15,236,487.50	\$10,665,541.25	\$4,571,021.25					
5/1/2026	\$10,662,493.75								
11/1/2026	\$10,662,493.75	\$15,232,987.50	\$10,663,091.25	\$4,569,896.25					
5/1/2027	\$10,662,493.75								
11/1/2027	\$10,662,493.75	\$15,234,737.50	\$10,664,316.25	\$4,570,421.25					
5/1/2028	\$10,662,493.75								
11/1/2028	\$10,662,493.75	\$15,234,737.50	\$10,664,316.25	\$4,570,440.00					
5/1/2029	\$10,662,493.75								
11/1/2029	\$10,662,493.75	\$15,237,012.50	\$10,665,908.75	\$4,571,103.75					
5/1/2030	\$10,662,493.75								
11/1/2030	\$10,662,493.75	\$15,235,325.00	\$10,664,727.50	\$4,570,597.50					
5/1/2031	\$10,662,493.75								
11/1/2031	\$10,662,493.75	\$15,233,950.00	\$10,663,765.00	\$4,570,185.00					
5/1/2032	\$10,662,493.75								
11/1/2032	\$10,662,493.75	\$15,236,837.50	\$10,665,786.25	\$4,571,051.25					
5/1/2033	\$10,662,493.75								
11/1/2033	\$10,662,493.75	\$15,232,675.00	\$10,662,871.50	\$4,569,800.50					
5/1/2034	\$10,662,493.75								
11/1/2034	\$10,662,493.75	\$15,236,675.00	\$10,665,672.50	\$4,571,002.50					
5/1/2035	\$10,662,493.75								
11/1/2035	\$10,662,493.75	\$15,233,675.00	\$10,663,572.50	\$4,570,102.50					
5/1/2036	\$10,662,493.75								
11/1/2036	\$10,662,493.75	\$15,235,475.00	\$10,664,832.50	\$4,570,644.00					
5/1/2037	\$10,662,493.75								
11/1/2037	\$10,662,493.75	\$15,235,500.00	\$10,664,855.00	\$4,570,650.00					
5/1/2038	\$10,662,493.75								
11/1/2038	\$10,662,493.75	\$15,237,437.50	\$10,665,027.50	\$4,571,231.25					
5/1/2039	\$10,662,493.75								
11/1/2039	\$10,662,493.75	\$15,237,437.50	\$10,665,027.50	\$4,570,413.75					
5/1/2040	\$10,662,493.75								
11/1/2040	\$10,662,493.75	\$15,236,487.50	\$10,665,208.75	\$4,570,803.75					
5/1/2041	\$10,662,493.75								
11/1/2041	\$10,662,493.75	\$15,236,487.50	\$10,664,150.00	\$4,570,350.00					
5/1/2042	\$10,662,493.75								
11/1/2042	\$10,662,493.75	\$15,236,487.50	\$10,665,550.00	\$4,570,950.00					
5/1/2043	\$10,662,493.75								
11/1/2043	\$10,662,493.75	\$15,235,500.00	\$10,664,850.00	\$4,570,650.00					
Calculation check:					\$439,633,064.06	\$439,633,064.06	\$287,945,480.00	\$123,405,210.00	
Capitalized interest:					\$439,633,064.06	\$439,633,064.06	\$287,945,480.00	\$123,405,210.00	
Total:					\$439,633,064.06	\$439,633,064.06	\$287,945,480.00	\$123,405,210.00	
Calculation check:					\$439,633,064.06	\$439,633,064.06	\$287,945,480.00	\$123,405,210.00	
GDIC Portion:					\$439,633,064.06	\$439,633,064.06	\$287,945,480.00	\$123,405,210.00	
Flint Portion:					\$439,633,064.06	\$439,633,064.06	\$287,945,480.00	\$123,405,210.00	
Total:					\$439,633,064.06	\$439,633,064.06	\$287,945,480.00	\$123,405,210.00	
Calculation check:					\$439,633,064.06	\$439,633,064.06	\$287,945,480.00	\$123,405,210.00	
KWA Bond Cost Allocation to GDIC and Flint 07-31-17 - Watermark.xlsx					\$439,633,064.06	\$439,633,064.06	\$287,945,480.00	\$123,405,210.00	
Tab: Series 2017 Bond 28 Yr 5.04 TIC					\$439,633,064.06	\$439,633,064.06	\$287,945,480.00	\$123,405,210.00	
Prepared by Karl Kemner 7/31/2017					\$439,633,064.06	\$439,633,064.06	\$287,945,480.00	\$123,405,210.00	

KWA Bond Cost Allocation to GDIC and Flint 07-31-17 - Watermark.xlsx

Tab: Series 2017 Bond 28 Yr 5.04 TIC

Prepared by Karl Kemner 7/31/2017

Schedule 2

Wire Instructions for Payments

Part A: Wire Instructions to the Trustee

[REDACTED]

Part B: Wire Instructions to GLWA

[REDACTED]

Part C: Wire Instructions to KWA

[REDACTED]

Part D: Wire Instructions to GCDC

[REDACTED]

Part E: Wire Instructions to the City



Any Party can change its wire instructions set forth above by following the Notice provisions in Article VI of this Agreement.

Schedule 3

Form of
Notice of First Failure to Deposit in the Baseline Trust Agreement

Notice of First Failure to Deposit in the Baseline Trust Agreement

This Notice of First Failure to Deposit in the Baseline Trust Agreement (the "Notice") is dated _____, 20__, and is provided by U.S. Bank National Association, as Trustee to the Parties identified in Section 3 below.

RECITALS

WHEREAS, the City of Flint, a Michigan municipality (the "City"), the Great Lakes Water Authority, a Michigan municipal authority and public body corporate organized pursuant to Act 233, Public Acts of Michigan, 1955, as amended ("GLWA"), the Karegnondi Water Authority, a Michigan municipal authority and public body corporate organized pursuant to Act 233, Public Acts of Michigan, 1955, as amended ("KWA"), the Genesee County Drain Commissioner, as the designated County Agency for the County of Genesee, Michigan, pursuant to the provisions of Act 342, Public Acts of Michigan, 1939, as amended ("GCDC") and U.S. Bank National Association, as Trustee, (the "Trustee") entered into the Baseline and All Receipt Trust Agreement dated as of December 1, 2017 (the "Trust Agreement");

WHEREAS, Section 3.4 of the Trust Agreement provides as follows:

If the City has not deposited with the Trustee the Aggregate Monthly Amount Due by 10:00 a.m., Eastern Time, on the respective Monthly Due Date, the Trustee shall, immediately upon the first instance of such failure (the "First Instance of Failure to Deposit"), send to all of the Parties a Notice of First Failure to Deposit in the Baseline Trust Agreement, the form of which is set forth in Schedule 3;

WHEREAS, all capitalized terms used in this Notice and not otherwise defined shall have the meanings as assigned to such terms in the Trust Agreement;

NOW, THEREFORE, the Trustee provides the following Notice:

1. Failure of the City to Deposit the Aggregate Amount Due. As of 10:00 a.m., Eastern Time, on _____, 20__, the City had not deposited with the Trustee the Aggregate Monthly Amount Due on such date.

2. Notice of First Failure to Deposit in the Baseline Trust Agreement. As a result of the failure to timely deposit the Aggregate Monthly Amount Due, as referenced in Paragraph No. 1 above, by the time and date reference in Paragraph No. 1 above, the Trustee is hereby providing this Notice to the Parties.

3. Addresses for Notice Purposes. On the date of this Notice, the Trustee has deposited in the U.S. Mail, postage prepaid, signed copies of this Notice and addressed to each Party at the following addresses:

(i) The City:

Mayor
City of Flint
1101 S. Saginaw Street
Flint, Michigan 48502
Attention: City Attorney

(ii) GLWA:

Great Lakes Water Authority
735 Randolph Street, Suite 1901
Detroit, Michigan 48226
Attention: General Counsel

(iii) KWA:

Karegnondi Water Authority
G-4610 Beecher Road
Flint, Michigan 48532
Attention: Chief Executive Officer

(iv) GCDC:

Genesee County Drain Commissioner
Division of Water and Waste Services
G-4610 Beecher Road
Flint, Michigan 48532
Attention: Drain Commissioner

4. Duly Authorized Signature. This Notice has been signed by a duly authorized officer of the Trustee for and on behalf of the Trustee.

U.S. Bank National Association

By: _____

Its: _____

Schedule 4

Form of
Notice of Second Failure to Deposit in the Baseline Trust Agreement
together with Notice of Conversion to All Receipts Trust Agreement

**Notice of Second Failure to Deposit in the Baseline Trust Agreement
together with Notice of Conversion to All Receipts Trust Agreement**

This Notice of Second Failure to Deposit in the Baseline Trust Agreement together with Notice of Conversion to All Receipts Trust Agreement (the “Notice”) is dated _____, 20____, and is provided by U.S. Bank National Association, as Trustee to the Parties identified in Section 3 below.

R E C I T A L S

WHEREAS, the City of Flint, a Michigan municipality (the “City”), the Great Lakes Water Authority, a Michigan municipal authority and public body corporate organized pursuant to Act 233, Public Acts of Michigan, 1955, as amended (“GLWA”), the Karegnondi Water Authority, a Michigan municipal authority and public body corporate organized pursuant to Act 233, Public Acts of Michigan, 1955, as amended (“KWA”), the Genesee County Drain Commissioner, as the designated County Agency for the County of Genesee, Michigan, pursuant to the provisions of Act 342, Public Acts of Michigan, 1939, as amended (“GCDC”) and U.S. Bank National Association, as Trustee, (the “Trustee”) entered into the Baseline and All Receipt Trust Agreement dated as of December 1, 2017 (the “Trust Agreement”);

WHEREAS, Section 3.4 of the Trust Agreement provides as follows:

If the City has not deposited with the Trustee the Aggregate Monthly Amount Due by 10:00 a.m., Eastern Time, on the respective Monthly Due Date, the Trustee shall, immediately upon the first instance of such failure (the “First Instance of Failure to Deposit”), send to all of the Parties a Notice of First Failure to Deposit in the Baseline Trust Agreement, the form of which is set forth in Schedule 3;

WHEREAS, on _____, 20____, the Trustee sent to the Parties the Notice of First Failure to Deposit in the Baseline Trust Agreement;

WHEREAS, Section 3.5 of the Trust Agreement provides as follows:

If during the term of this Agreement, the City (i) fails to cure the First Instance of Failure to Deposit within sixty (60) days of the First Instance of Failure to Deposit, or (ii) fails on a second occasion to deposit with the Trustee the Aggregate Monthly Amount Due by 10:00 a.m., Eastern Time, on the respective Monthly Due Date, then the Trustee shall send to all of the Parties a Notice of Second Failure to Deposit in the Baseline Trust Agreement together with Notice of Conversion to All Receipts Trust Agreement, the form of which is set forth in Schedule 4.

WHEREAS, all capitalized terms used in this Notice and not otherwise defined shall have the meanings as assigned to such terms in the Trust Agreement;

NOW, THEREFORE, the Trustee provides the following Notice:

1. Failure of the City to Deposit the Aggregate Amount Due. As of 10:00 a.m., Eastern Time, on _____ 30, 20__, the City had not deposited with the Trustee the Aggregate Monthly Amount Due on such date. [Alternative: As of _____, 20__, the City has failed to cure the First Instance of Failure to Deposit within sixty (60) days of the First Instance of Failure to Deposit.]

2. Notice of Second Failure to Deposit in the Baseline Trust Agreement. As a result of the failure to timely deposit the Aggregate Monthly Amount Due, as referenced in Paragraph No. 1 above, by the time and date reference in Paragraph No. 1 above, the Trustee is hereby providing this Notice to the Parties.

3. Conversion Date. Pursuant to the Trust Agreement, the Conversion Date is the date of this Notice, which is _____, 20__.

4. Establishment of All Receipts Trust Fund. As of the date of this Notice, and in accordance with Section 4.1 of the Trust Agreement, the Trustee has established on its books the All Receipts Trust Fund.

5. Compliance with Article IV of the Trust Agreement. The terms of Article IV of the Trust Agreement are operational as of the Conversion Date, and the City is directed to follow the procedures set forth in Section 4.2 of the Trust Agreement and the Trustee shall make payments as directed in Section 4.3 of the Trust Agreement.

6. Addresses for Notice Purposes. On the date of this Notice, the Trustee has deposited in the U.S. Mail, postage prepaid, signed copies of this Notice and addressed to each Party at the following addresses:

(i) The City:

Mayor
City of Flint
1101 S. Saginaw Street
Flint, Michigan 48502
Attention: City Attorney

(ii) GLWA:

Great Lakes Water Authority
735 Randolph Street, Suite 1901
Detroit, Michigan 48226
Attention: General Counsel

(iii) KWA:

Karegnondi Water Authority
G-4610 Beecher Road
Flint, Michigan 48532
Attention: Chief Executive Officer

(iv) GCDC:

Genesee County Drain Commissioner
Division of Water and Waste Services
G-4610 Beecher Road
Flint, Michigan 48532
Attention: Drain Commissioner

4. Duly Authorized Signature. This Notice has been signed by a duly authorized officer of the Trustee for and on behalf of the Trustee.

U.S. Bank National Association

By: _____

Its: _____

Schedule 5

Authorized Representatives of the Parties

Each of the following person(s) is a City Representative authorized to execute documents and direct the Trustee as to all matters, including fund transfers, address changes and contact information changes, on the City's behalf (only one signature required):

Hughy Newsome
Name

[Signature]
Specimen signature

810-766-7266 x 2301
Telephone No.

Dawn Steele
Name

[Signature]
Specimen signature

766-7266 x 2309
Telephone No.

Amanda Trujillo
Name

[Signature]
Specimen signature

810-766-7470 x 2104
Telephone No.

(Note: if only one person is identified above, provide the following information)
The following person not listed above is authorized for call-back confirmations:

Name

Telephone Number

Each of the following person(s) is a GLWA Representative authorized to execute documents and direct the Trustee as to all matters, including fund transfers, address changes and contact information changes, on GLWA's behalf (only one signature required):

Executed in Counterpart
Name

Specimen signature

Telephone No.

Name

Specimen signature

Telephone No.

Name

Specimen signature

Telephone No.

(Note: if only one person is identified above, provide the following information)
The following person not listed above is authorized for call-back confirmations

Name

Telephone Number

Schedule 5

Authorized Representatives of the Parties

Each of the following person(s) is a City Representative authorized to execute documents and direct the Trustee as to all matters, including fund transfers, address changes and contact information changes, on the City's behalf (only one signature required):

Executed in Counterpart		
Name	Specimen signature	Telephone No.
Name	Specimen signature	Telephone No.
Name	Specimen signature	Telephone No.

(Note: if only one person is identified above, provide the following information)
The following person not listed above is authorized for call-back confirmations:

Name	Telephone Number
------	------------------

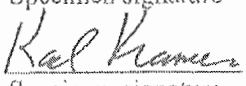

Each of the following person(s) is a GLWA Representative authorized to execute documents and direct the Trustee as to all matters, including fund transfers, address changes and contact information changes, on GLWA's behalf (only one signature required):

<u>Sue F. McCormick</u>	<u>Sue F. McCormick</u>	<u>313-964-9501</u>
Name	Specimen signature	Telephone No.
<u>NICOLETTE N. BATESON</u>	<u>Nicolette N. Bateson</u>	<u>313-964-9225</u>
Name	Specimen signature	Telephone No.
<u>Randal Brown</u>	<u>Randal Brown</u>	<u>313-964-9068</u>
Name	Specimen signature	Telephone No.

(Note: if only one person is identified above, provide the following information)
The following person not listed above is authorized for call-back confirmations

Name	Telephone Number
------	------------------



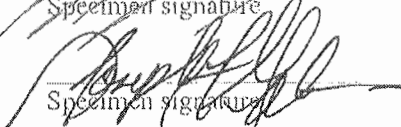
Each of the following person(s) is a KWA Representative authorized to execute documents and direct the Trustee as to all matters, including fund transfers, address changes and contact information changes, on KWA's behalf (only one signature required):

<u>TRUDY NICOL</u>	<u></u>	<u>(810) 648-2127</u>
Name	Specimen signature	Telephone No.
<u>KARL KRAMER</u>	<u></u>	<u>810-600-4120</u>
Name	Specimen signature	Telephone No.
<u>KEVIN KILBY</u>	<u></u>	<u>810-569-0352</u>
Name	Specimen signature	Telephone No.

(Note: if only one person is identified above, provide the following information)
The following person not listed above is authorized for call-back confirmations:

_____	_____
Name	Telephone Number

Each of the following person(s) is a GCDC Representative authorized to execute documents and direct the Trustee as to all matters, including fund transfers, address changes and contact information changes, on GCDC's behalf (only one signature required):

<u>KARL KRAMER</u>	<u></u>	<u>810-600-4120</u>
Name	Specimen signature	Telephone No.
<u>JEFF CARPENTER</u>	<u></u>	<u>810-782-7870</u>
Name	Specimen signature	Telephone No.
<u>JOE GALVIN</u>	<u></u>	<u>248-770-1488</u>
Name	Specimen signature	Telephone No.

(Note: if only one person is identified above, provide the following information)
The following person not listed above is authorized for call-back confirmations

_____	_____
Name	Telephone Number