Goodrich, Harlan G. (Treasury)

From:	Schafer, Suzanne K. (Treasury)
Sent:	Monday, March 23, 2015 12:51 PM
To:	Goodrich, Harlan G. (Treasury)
Subject:	FW: Flint Drinking Water Loans
Attachments:	Executed Emergency Manager Memorandum - City of Flint.pdf

From: Bowman, Matthew (Treasury)
Sent: Monday, March 23, 2015 11:42 AM
To: Gerald Ambrose; 'bulger@millercanfield.com'; danhof@millercanfield.com; Lambert, Alan (AG); Workman, Wayne (TREASURY); Gelisse, Ashley (TREASURY); Schafer, Suzanne K. (Treasury)
Cc: Barton, John (Treasury); Cousineau, Sara (Treasury)
Subject: Flint Drinking Water Loans

Please find attached the executed version of the Emergency Manager Memorandum for the City of Flint's Drinking Water loans. We are still in the process of obtaining the MFA and DEQ signatures on the restructuring agreement, and will send the executed version when available. If you have any questions, please do not hesitate to contact me.

Thanks,

Matt Bowman
Bureau of State and Authority Finance
Michigan Department of Treasury
Bowmanm2@michigan.gov
517.335.6102

CITY OF FLINT

OFFICE OF THE EMERGENCY MANAGER

Gerald Ambrose
Emergency Manager

To: Treasurer R. Kevin Clinton
State of Michigan

From: Gerald W. Ambrose, Emergency Manager
City of Flint

Date: March 18, 2015

Re: PA 436 Approval of Restructuring of City of Flint's Outstanding Water Supply System Revenue Bonds, Series 1999, Series 2000, Series 2001 and Series 2002

The Emergency Manager ("EM") of the City of Flint, County of Genesee, State of Michigan (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 City's outstanding water supply system revenue 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. The salient terms and benefits of the transaction are as summarized below:

- 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").

- 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.

- In connection with the issuance of each series of the Bonds, the State of Michigan, acting through its Department of Environmental Quality (the "DEQ") entered into a Supplemental Agreement with the City (collectively, the "Supplemental Agreements"), providing certain covenants of the City and approving the issuance of the Bonds.