

FINANCIAL RECOVERY BOND

TRUST INDENTURE

Between

CITY OF DETROIT

County of Wayne, Michigan

and

UMB BANK, N.A.

as Trustee

\$120,000,000

FINANCIAL RECOVERY BONDS, SERIES 2014

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FINANCIAL RECOVERY BOND TRUST INDENTURE

This Trust Indenture, dated as of April 8, 2014 (the "Indenture"), between the City of Detroit, County of Wayne, State of Michigan (the "City") and UMB Bank, N.A., and its successors in trust and assignees, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, pursuant to the Local Government Fiscal Responsibility Act, Act 436, Public Acts of Michigan, 2012 ("Act 436"), the Governor (the "Governor") of the State of Michigan (the "State") determined that a local government financial emergency exists in the City of Detroit, County of Wayne, Michigan (the "City"), and an emergency manager, as defined in Act 436, Kevyn D. Orr (the "Emergency Manager") was appointed for the City by the Governor on March 28, 2013 in accordance with Act 436; and

WHEREAS, on July 18, 2013 (the "Petition Date"), in accordance with Act 436 and the approval of the Governor, the Emergency Manager filed on behalf of the City a petition for relief (the "Case") pursuant to Chapter 9 of title 11 of the United States Code, 11 U.S.C. Sections 101-1532 (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the Eastern District of Michigan (the "Bankruptcy Court"); and

WHEREAS, on March 6, 2014, pursuant to Section 12(1) and Section 19(1) of Act 436, the Emergency Manager filed with the City Council of the City the key terms and conditions of the Series 2014 Bonds (the "Secured Financing"); and

WHEREAS, on March 14, 2014, City Council approved the Secured Financing; and

WHEREAS, Section 36a of Act 279 authorizes a city, for which a financial emergency has been determined to exist, such as the City, to borrow money and issue Financial Recovery Bonds subject to the terms and conditions approved by the Local Emergency Financial Assistance Loan Board ("Board") established pursuant to Act 243, Public Acts of Michigan, 1980, as amended; and

WHEREAS, on March 25, 2014, the Board issued an order (the "Board Order") approving the issuance of the Series 2014 Bonds by the City as finally determined in the Sale Order of the Emergency Manager, subject to the terms and conditions for each series of Bonds approved by the Board in the Board Order; and

WHEREAS, on April 2, 2014, the Bankruptcy Court issued an order [Docket No. 3607] authorizing the Secured Financing (the "Bankruptcy Court Order"), pursuant to which super priority liens have been established under Sections 364(c), 503 and 507(a)(2) of the Bankruptcy Code for the certain collateral securing the bonds authorized for issuance hereunder; and

WHEREAS, in connection with the issuance of the Bonds, the Trustee shall enter into the Account Control Agreement (as hereinafter defined) with the City and the Depository Bank.

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH that in order to secure the payment of the Bonds, for the benefit of the respective Registered Owners thereof and to secure the performance and observance of the conditions and covenants herein set forth and for other valuable consideration, the receipt of which is hereby acknowledged, the City covenants and agrees with the Trustee for the benefit of the respective owners from time to time of the Bonds as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 101 Definitions. In addition to the terms defined in the preambles to this Indenture, and in the Bond Orders, the following terms shall have, unless the context otherwise requires, the meanings herein specified:

“1 Month LIBOR Rate” means the per annum interest rate (rounded upward, if necessary, to the nearest 1/32 of one percent) for deposits in U.S. Dollars equal to the British Bankers’ Association LIBOR (or any entity that assumes responsibility for determining such rate) (“BBA LIBOR”) for a one-month period as appearing on the BBAM page of the Bloomberg Professional Service (or, if no longer published by Bloomberg, such other commercially available source providing quotations of BBA LIBOR as determined by the Calculation Agent from time to time, upon notice to the City) at approximately 11:00 A.M. (London time) two London Banking Days prior to a 1-Month LIBOR Reset Date; provided, however, if more than one BBA LIBOR is specified, the applicable rate shall be the arithmetic mean of all such rates; provided further, however, that, for purposes of this Indenture, the 1-Month LIBOR Rate shall at no time be less than the LIBOR Floor. If, for any reason, such rate is not available, the term 1-Month LIBOR Rate shall mean the rate of interest per annum determined by the Calculation Agent, which shall at no time be less than the LIBOR Floor, to be the average per annum interest rate at which deposits in dollars are offered for a one-month period by major banks in London, England at approximately 11:00 A.M. (London time) two London Banking Days prior to the 1-Month LIBOR Reset Date. In the event that the Board of Governors of the Federal Reserve System shall impose a Reserve Percentage with respect to LIBOR deposits, then for any period during which such Reserve Percentage shall apply, the 1-Month LIBOR Rate shall be equal to the amount determined above divided by an amount equal to 1 minus the Reserve Percentage but in no event less than the LIBOR Floor.

“1-Month LIBOR Reset Date” means the first Business Day of each calendar month.

“Account” means any of the trust funds and accounts created and established by, or pursuant to, this Indenture.

“Account Control Agreement” means that certain Account Control Agreement dated as of April 8, 2014 by and among the City, the Trustee, and the Depository Bank in favor of the Trustee with respect to the Pledged Income Tax Account that holds the Pledged Income Tax Revenue.

“**Act 279**” means Act No. 279, Public Acts of Michigan, 1909, as amended.

“**Act 284**” means Act No. 284, Public Acts of Michigan, 1964, as amended, and any replacement or successor thereto.

“**Act 436**” means Act No. 436, Public Acts of Michigan, 2012.

“**Asset Proceeds Collateral**” shall mean all net cash proceeds derived from a transaction or series of related transactions involving the voluntary disposition or monetization of any City owned asset which generates net cash proceeds from such transaction or series of transactions exceeding \$10 million, which net cash proceeds are pledged by the City hereunder, on the terms and conditions set forth hereunder, in favor of the Registered Owners of the Series 2014 Bonds. Asset Proceeds Collateral shall not include assets owned by the City, or assets in which the City holds an interest, which, in either case, are held by the Detroit Institute of Arts.

“**Authorized Denominations**” shall mean denominations of Bonds equal to multiples of \$100,000 or integral multiples of \$5,000 in excess thereof.

“**Authorized Officer**” means (i) the Emergency Manager or his designee or successor, or if the City is no longer operating under a financial emergency pursuant to Act 436, the chief administrative officer of the City or his or her designee, (ii) if the City is operating under a financing emergency pursuant to Act 436 but no Emergency Manager (or successor thereto) has been appointed, any person or entity with legal authority to act on behalf of the City or (iii) any other person authorized by a Certificate of an Authorized Officer issued to the Trustee to act on behalf of or otherwise represent the City in any legal capacity, which such Certificate shall be delivered, if at all, in the City’s sole discretion.

“**Bankruptcy Case**” means the City’s Bankruptcy Case No. 13-53846 in the U.S. Bankruptcy Court for the Eastern District of Michigan.

“**Bankruptcy Court Order**” has the meaning set forth in the recitals hereto.

“**Board**” has the meaning set forth in the recitals hereto.

“**Bond**” or “**Bonds**” means the Series 2014 Bonds.

“**Bondowner**”, “**Owner**” or “**Registered Owner**” means, with respect to any Bond, the person in whose name such Bond is registered in the Bond Registry under Section 304.

“**Bond Authorizing Order**” means that Order of the Emergency Manager dated March 4, 2014 authorizing the issuance of the Bonds for the purposes set forth therein and described in the preamble above.

“**Bond Counsel**” means Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, or such other nationally recognized firm of attorneys experienced in matters pertaining to municipal bonds and appointed to serve in such capacity by the City with respect to the Bonds.

“**Bond Orders**” means collectively the Bond Authorizing Order and the Sale Order.

“**Bond Proceeds Fund**” means the fund established pursuant to Section 503 hereof by the Trustee and pursuant to the Bond Orders in which, on the Date of Original Issue, the proceeds of the Bonds shall be deposited.

“**Bond Purchase Agreement**” means that certain Bond Purchase Agreement by and among the Purchaser and the City dated as of April 8, 2014 with respect to the Series 2014 Bonds.

“**Bond Rate**” means the sum of the 1-Month LIBOR Rate and the Spread.

“**Bond Registry**” means the books for the registration of Bonds maintained by the Trustee.

“**Business Day**” means any day other than (i) a Saturday, Sunday or legal holiday, (ii) a day on which the Trustee or banks and trust companies in New York, New York are authorized or required to remain closed, (iii) a day on which the New York Stock Exchange is closed, or (iv) a day on which the Federal Reserve is closed.

“**Calculation Agent**” means Barclays Capital Inc.

“**Case**” has the meaning set forth in the recitals hereto.

“**Certificate**” means (i) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Indenture or (ii) the report of an Authorized Officer as to audits or other procedures called for by this Indenture, as the case may be.

“**City**” means the City of Detroit, County of Wayne, Michigan.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Costs of Issuance Fund**” means the fund established under Section 502 hereof for the payment of the costs of issuance of the Bonds.

“**Date of Original Issue**” means the date upon which all conditions precedent set forth in the Bond Purchase Agreement to the transactions contemplated therein and herein have been satisfied and the Bonds have been issued to the Purchaser.

“**Debt Service Account**” means the Account established within the Debt Service Fund for the benefit of the Series 2014 Bonds pursuant to Section 501 of this Indenture.

“**Debt Service Fund**” means the Debt Service Fund established under Section 501 hereof, for the payment of principal of and interest on the Bonds.

“**Debt Service Requirement Amount**” means, as applicable, an amount equal to (i) the interest due on the Bonds on the next succeeding Interest Payment Date plus if such Interest

Payment Date is also a Redemption Date, any principal and premium owing on such Redemption Date, if any, or (ii) the amount equal to the interest, premium, if any, and principal due on the Bonds on the Maturity Date plus any fees or expenses for which the Trustee is entitled to be paid from the Debt Service Fund.

“Depository Bank” means Comerica Bank and any successor thereto.

“Emergency Manager” has the meaning set forth in the recitals hereto.

“Event of Default” has the meaning attributed to it in Section 901 hereof.

“Financing Documents” means this Indenture, the Bond Purchase Agreement, the Account Control Agreement, the Series 2014 Bonds, the Bond Orders, the Bankruptcy Court Order, the Fee Letter and any other document related to the issuance, sale or delivery of the Bonds.

“Fiscal Year” means the period from July 1 to and including June 30 of the immediately succeeding calendar year or such other fiscal year of the City as in effect from time to time.

“Governmental Obligations” means non-callable (a) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of Treasury of the United States of America or any Federal Reserve Bank, and (c) securities which represent an interest in the obligations described in (a) and (b) above.

“Income Tax Revenues” means revenues collected by or on behalf of the City from a levy of an excise tax on income pursuant to Act 284 or pursuant to any other applicable State or local law.

“Indenture” means this Trust Indenture, dated as of April 8, 2014, as supplemented and amended.

“Interest Payment Date” means (i) each 1-Month LIBOR Reset Date; (ii) with respect only to Bonds being redeemed, in whole or in part, the Redemption Date; and (iii) the Maturity Date.

“LIBOR Floor” means 1.00% per annum.

“London Banking Day” means any day on which commercial banks are open for international business (including dealings in U.S. dollar deposits) in London, England.

“Maturity Date” means the earliest to occur of (i) dismissal of the Bankruptcy Case, (ii) the effective date of a confirmed plan of adjustment filed in the Bankruptcy Case, (iii) the date on which the Bonds are accelerated pursuant to this Indenture, and (iv) October 7, 2016.

“Non-Arbitrage and Tax Compliance Certificate” means the Non-Arbitrage and Tax Compliance Certificate of the City, dated the date of issuance of the Bonds, regarding rebate requirements and other tax responsibilities of the City relating to the Tax-Exempt Bonds.

“Outstanding” when used with respect to the Bonds, means, as of the date of determination, the Bonds theretofore authenticated and delivered pursuant to the Bond Orders and this Indenture, except:

- (A) Bonds theretofore canceled by the Trustee or delivered to such Trustee for cancellation;
- (B) Bonds for whose payment money in the necessary amount has been theretofore irrevocably deposited with the Trustee in trust for the registered owners of such Bonds;
- (C) Bonds delivered to the Trustee for cancellation in connection with (i) the exchange of such Bonds for other bonds or (ii) the transfer of the registration of such Bonds;
- (D) Bonds alleged to have been destroyed, lost or stolen which have been paid or replaced pursuant to the Bond Orders or otherwise pursuant to law; and
- (E) Bonds deemed paid as provided in Section 801 of the Bond Authorizing Order.

“Payment Date” means each Interest Payment Date, and the Maturity Date of the Bonds.

“Permitted Investments” means those investments specified in Article VI of this Indenture.

“Petition Date” has the meaning set forth in the recitals hereto.

“Pledged Income Tax Account” means that certain bank account established at Comerica Bank, Account No. 1850706191 that collects solely Income Tax Revenues.

“Pledged Income Tax Revenue” means the Income Tax Revenues pledged on a first priority lien basis in favor of the Registered Owners of the Series 2014 Bonds. Pledged Income Tax Revenue does not include that portion of income tax revenues transferred into the budget of the City’s police department at any time, to be used exclusively to retain and hire police officers, in an amount equal to the sum of 0.2% of the income tax rate levied on resident individuals and 0.1% of the income tax rate levied on non-resident individuals, for so long as bonds, obligations or other evidences of indebtedness of the City’s Public Lighting Authority are outstanding and payable from taxes levied by the City under the Utility Users Tax Act, Act 100, Public Acts of Michigan, 1990, as amended, MCL 141.1151, *et seq.*

“Post Petition Date Debt” means any payment obligation of the City first incurred on or following the Petition Date.

“Purchaser” means Barclays Capital Inc. or any permitted party designated pursuant to the Bond Purchase Agreement, as approved by the City, which such approval shall not be unreasonably withheld.

“Quality of Life Projects” means those certain projects determined by the Emergency Manager to be financed with the proceeds of the Series 2014 Bonds.

“Record Date” means the fifteenth (15th) day prior to any Interest Payment Date.

“Redemption Date” means the date upon which Bonds are to be called for redemption, in whole or in part, pursuant to this Indenture.

“Redemption Price” means, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof.

“Reserve Percentage” means, relative to any day of any interest period, the maximum aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements (including all basic, emergency, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) under any regulations of the Board of Governors of the Federal Reserve System (the “Board”) or other governmental authority having jurisdiction with respect thereto as issued from time to time and then applicable to assets or liability consisting of “Eurocurrency Liabilities,” as currently defined in Regulation D of the Board, having a term approximately equal or comparable to such interest period.

“Sale Order” means that Order of the Emergency Manager dated April 8, 2014 authorizing the final sale and issuance of the Bonds for the purposes set forth therein and described in the preamble above.

“Series 2014 Bonds” means the City’s Financial Recovery Bonds, Series 2014.

“Spread” means, so long as no Event of Default has occurred and is continuing, 250 basis points, and upon the occurrence of and continuance of an Event of Default, 450 basis points.

“State” has the meaning set forth in the recitals hereto.

“State Treasurer” means the Treasurer of the State of Michigan.

“Supplemental Indenture” means any indenture supplemental to or amendatory of this Indenture, executed by the City and the Trustee and effective in accordance with Article X.

“Tax-Exempt Bonds” means those Bonds, the interest on which is excluded from gross income for federal tax purposes.

“*Trustee*” means initially, UMB Bank, N.A., as trustee, as bond registrar, transfer agent and paying agent for the Bonds and any successor in trust or assignees pursuant to Section 803 hereof.

“*Trust Estate*” shall have the meaning set forth in Section 401 hereof.

Section 102 Interpretation. (A) In this Indenture, unless the context otherwise requires:

(1) the terms “hereby”, “hereof”, “herein”, “hereunder” and similar terms, as used in this Indenture, refer to this Indenture, and the term “heretofore” means before, and the term “hereafter” means after, the date of this Indenture;

(2) words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa;

(3) words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) any headings preceding the texts of the several Articles and Sections of this Indenture and any table of contents or marginal notes appended to copies hereof shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect;

(5) this Indenture shall be governed by and construed in accordance with the applicable laws of the State;

(6) references to the payment of the Bonds shall be deemed to include reference to the payment of interest thereon;

(7) references to time shall mean the applicable local time in New York City, New York; and

(8) references to Sections and Articles, unless otherwise indicated, refer to Sections and Articles in this Indenture.

(B) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the City, the Trustee, and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the City, shall be for the sole and exclusive benefit of the City, the Trustee, and the Owners of the Bonds.

(C) If any one or more of the covenants or agreements provided herein on the part of the City or the Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants

and agreements hereof and shall in no way affect the validity of the other provisions of this Indenture or of the Bonds.

ARTICLE II

TERMS OF BONDS

Section 201 Authorization for Indenture and Bonds; Indenture to Constitute a Contract. This Indenture and the issuance of Bonds hereunder have been duly authorized by the City and the principal amount of Bonds that may be issued hereunder is not limited except as provided herein or by law. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes of the City and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes of the City. In consideration of the purchase and acceptance of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Indenture, any Bond Order and any Series or Supplemental Indenture shall be deemed to be and shall constitute a contract between the City, the Trustee and the Owners from time to time of the Bonds, and such provisions are covenants and agreements with such Owners which the City hereby determines to be necessary and desirable for the security and payment thereof. The pledge hereof, and the provisions, covenants and agreements herein set forth to be performed by the City, shall be for the equal benefit, protection and security of the Owners of any and all Bonds which shall be of equal rank without preference, priority or distinction among all Bonds, except as may otherwise be expressly set forth herein.

Section 202 Authorization of Bonds. In order to provide sufficient funds for the purposes set forth in the Bond Orders, obligations of the City in the form of Bonds are hereby authorized to be issued from time to time hereunder in one or more series. No Bonds shall be issued unless they are part of an issue described in the Bond Orders and until the conditions contained in this Indenture are satisfied.

Section 203 Issuance and Delivery of Bonds. After their authorization by the City, Bonds may be executed by or on behalf of the City and delivered to the Trustee in accordance with the Bond Authorizing Order and this Indenture for authentication and, upon compliance by the City with the requirements of Section 204, the Trustee shall thereupon authenticate and deliver such Bonds to or upon the order of the City. No Bond shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Bond a Certificate of Authentication substantially in the form provided for in Section 301 of this Indenture, executed by the manual or facsimile signature of the Finance Director or by an authorized signatory of the Trustee by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder.

Section 204 Conditions Precedent to Delivery of Bonds. The Bonds shall be authenticated and delivered upon the order of the City, but only upon the receipt by the Trustee of:

(1) a copy of the Bond Orders authorizing each such series, executed by the City, which shall specify:

(a) the authorized principal amount and designation of such Bonds;

(b) the purposes for which such Bonds are issued;

(c) the dated dates and maturity dates of the Bonds;

(d) the interest rates, if any, of and principal amounts payable upon such Bonds (or the manner of determining such rates or amounts) and the interest payment dates, if any, and principal installment dates therefor;

(e) the denominations of, and the manner of dating, numbering and lettering, such Bonds;

(f) the places of payment of such Bonds or the manner of appointing and designating the same;

(g) provisions concerning the forms of such Bonds and of the Trustee's certificate of authentication;

(h) evidence of compliance with Act 279, including receipt of an order of the Board approving all terms and conditions of the Bonds;

(i) any other provisions deemed advisable by the City as shall not conflict with the provisions hereof; and

(j) the Redemption Price, if any, of and the redemption terms for such Bonds.

(2) a Bond Counsel's Opinion to the effect that (i) such Bond Order and/or Supplemental Indenture and this Indenture have been duly authorized, executed and delivered by the City and are valid and binding upon, and enforceable against, the City; and (ii) upon the execution, authentication and delivery thereof, such Bonds will have been duly and validly authorized and issued in accordance with the constitution and statutes of the State and in accordance with this Indenture with such qualifications and exceptions to such opinion as specified in the Bond Purchase Agreements; and

(3) evidence of the receipt by the Trustee of the amount of the proceeds of such Bonds to be deposited with the Trustee pursuant to Section 503, which shall be conclusively established by the executed certificate of the Trustee so stating.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301 Designation of Bonds; Form of Bonds.

(a) *Designation and Form of Bonds.* Bonds designated as “Financial Recovery Bonds, Series 2014” are hereby authorized to be issued pursuant to the provisions of this Indenture in the principal amount of \$120,000,000. The Bonds shall bear a Date of Original Issue of April 8, 2014. The Bonds shall be issued in fully registered form, without coupons, and in Authorized Denominations. The Bonds shall contain a recital that they are issued pursuant to the laws of the State and may have printed thereon such legend or legends as may be required to comply with any law, rule or regulation. Each Bond shall be numbered as determined by the City. The Bonds shall be substantially in the form set forth in Exhibit A, with such appropriate changes, omissions and insertions as are permitted or required by this Indenture or the Bond Authorizing Order. The Bonds shall be payable, as to principal, interest and redemption premium, if any, in lawful money of the United States of America. Principal and interest on the Bonds shall be due and payable as set forth in the form of Bond set forth in Exhibit A. Interest shall be calculated on the basis of a 360 day year for the actual number of days elapsed. The principal amount of the Bonds of each series shall be payable on the Maturity Date. The Bonds shall bear CUSIP numbers as provided by the CUSIP Service Bureau.

(b) *Payment on the Bonds.* Principal of, and premium, if any, on the Bonds are payable upon presentation and surrender thereof at the corporate trust office of the Trustee. Interest on the Bonds will be paid by check or draft drawn upon the Trustee and mailed to Owners at the registered addresses, provided that, at the written request of the Owner of at least \$1,000,000 principal amount of Bonds (which request may provide that it will remain in effect with respect to each subsequent Interest Payment Date unless and until changed or revoked at any time prior to an Interest Payment Date by subsequent written notice to the Trustee), interest shall be paid by wire transfer or other method of transfer of immediately available funds acceptable to the Trustee and the City. Payment as aforesaid shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 302 Book-Entry Only System for the Bonds. (a) Except as provided in Section 302(b) hereof, the ownership of the Bonds shall be registered in the Bond Registry in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the City and the Trustee shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a Bondowner, as shown in the Bond Registry, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than a Bondowner, as shown in the

Bond Registry, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Trustee shall be entitled to treat and consider the Person in whose name each Bond is registered in the Bond Registry as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Bondowners, as shown in the Bond Registry as provided in this Indenture, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge the City's obligations fully with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than a Bondowner, as shown in the Bond Registry, shall receive a Bond certificate evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner as of the close of business of the Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(b) In the event that the City or the Trustee determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representations between the City and DTC (the "Letter of Representations") or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City or the Trustee shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bond certificates to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Bond Registry in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondowners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture. The Trustee shall give written notice to the City of a determination to issue certificated bonds.

(c) Notwithstanding any other provision of this Indenture to the contrary, so long as any series of the Bonds is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Bonds and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the Letter of Representations. The Trustee shall request in each notice sent to Cede & Co., pursuant to the terms of this Indenture, that Cede & Co. forward or cause to be forwarded such notice to the DTC Participants, but neither the Trustee nor the City shall be liable if Cede & Co. fails to honor such request.

Section 303 Interchangeability of Bonds. In the event that Bonds are no longer registered in the name of Cede & Co., as nominee of DTC, Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the

Trustee, duly executed by the Owner or his duly authorized attorney, may at the option of the Owner thereof, and upon payment by such Owner of any charges which the Trustee may make as provided in Section 306, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity bearing the same rate of interest and having the same terms of any of the authorized denominations; provided, however, that the exchange of Bonds may be restricted by the Supplemental Indenture pursuant to which such Bonds are issued.

Section 304 Negotiability, Transfer and Bond Registry. All the Bonds issued under this Indenture shall be negotiable, subject to the provisions for registration, transfer and exchange contained in this Indenture and in the Bonds in consultation with and with the consent of the City, such consent not to be unreasonably withheld, delayed or conditioned (it being agreed that the City's consent shall be deemed to have been given if the City has not responded within five (5) Business Days of an assignment request). So long as any of the Bonds remain Outstanding, the City shall maintain and keep, at the designated corporate trust office of the Trustee, which may be one or more banks or trust companies or national banking associations appointed by the City, books for the registration, transfer and exchange of Bonds. Upon presentation thereof for such purpose at said office, the City shall register or cause to be registered in such books, and permit to be transferred thereon, any Bonds pursuant to such reasonable regulations as it or the Trustee may prescribe. So long as any of the Bonds remain Outstanding, the City shall make all necessary provisions to permit the exchange of Bonds at the corporate trust office of the Trustee.

Section 305 Transfer of Bonds. (A) The registration of each Bond is transferable, in consultation with and with the consent of the City, such consent not to be unreasonably withheld, delayed or conditioned (it being agreed that the City's consent shall be deemed to have been given if the City has not responded within five (5) Business Days of an assignment request), only upon the Bond Registry by the Registered Owner thereof, or by his attorney duly authorized in writing, upon the presentation and surrender thereof at the designated corporate trust office of the Trustee together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner thereof or his attorney duly authorized in writing, and thereupon one or more fully executed and authenticated Bonds in any authorized denominations of like maturity and tenor, in equal aggregate principal amount shall be issued to the transferee in exchange therefor.

(B) Each Bond may be exchanged for one or more Bonds in equal aggregate principal amount of like maturity and tenor in one or more authorized denominations, upon the presentation and surrender thereof at the principal corporate trust office of the Trustee together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner hereof or his attorney duly authorized in writing.

Section 306 Regulations With Respect to Exchanges and Transfers. (A) In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the City shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in such exchanges or transfers shall be forthwith canceled by the Trustee.

(B) For every such exchange or transfer of Bonds, the City or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such exchange or transfer, which sums shall be paid by the Bondowner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(C) The Trustee shall not be required (i) to issue, exchange or transfer any Bond during a period beginning on the opening of business 15 days before the giving of a notice of redemption and ending on the date of the mailing of notice of such redemption, or (ii) to transfer or exchange Bonds called or being called for redemption, except the unredeemed portion of Bonds being redeemed in part.

Section 307 Bonds Mutilated, Destroyed, Stolen or Lost. If any Bond shall become mutilated, the City, at the expense of the Registered Owner of the Bond, shall execute, and the Trustee shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the Trustee of the mutilated Bond. If any Bond issued under this Indenture shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the Trustee and, if this evidence is satisfactory to both and indemnity satisfactory to the Trustee shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the City, at the expense of the owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof.

Section 308 Cancellation and Destruction of Bonds. All Bonds paid or redeemed by the City, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bond, together with all Bonds purchased by the Trustee, shall thereupon be promptly cancelled. Bonds so cancelled may at any time be cremated or otherwise destroyed by the Trustee, who shall execute a Certificate of cremation or destruction in duplicate by the signature of one of its authorized officers describing the Bonds so cremated or otherwise destroyed. Such executed Certificate shall be filed with the City and the other executed Certificates shall be retained by the Trustee.

Section 309 Redemption. The Bonds shall be subject to optional and mandatory redemption as set forth in the form of Bonds attached hereto as Exhibit A. The Bonds shall only be redeemed in Authorized Denominations. No partial redemption of Bonds is authorized, unless as a result of such partial redemption, the remaining Outstanding Bonds of a series shall be in Authorized Denominations.

Section 310 Selection of Bonds to be Redeemed. Subject to any rules and procedures of a securities depository for Bonds held in book-entry form, in the event of redemption of less than all the Outstanding Bonds of like series and maturity, the Trustee shall assign to each such

Outstanding Bond a distinctive number for each minimum denomination of the principal amount thereof so as to distinguish each such minimum denomination from each other portion of the Bonds subject to such redemption. The Trustee shall select by lot, using such method of selection as it shall deem proper in its sole discretion, from the numbers of all such Bonds then Outstanding of such maturity, as many numbers as, at the minimum denomination for each number, shall equal the principal amounts of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; but only so much of the principal amount of each such Bonds of a denomination of more than the minimum denomination shall be redeemed as shall equal the minimum denomination for each number assigned to it and so selected. For the purposes of this Section, Bonds which have theretofore been selected by lot for redemption shall not be deemed Outstanding.

Any integral multiple of a minimum denomination may, if so specified by the provisions of a Supplemental Indenture, be utilized in connection with the partial redemption of Bonds issued pursuant to such Supplemental Indenture and such Bonds shall be subject to selection for redemption in the amount of such multiple but otherwise in accordance with this Section.

Section 311 Notice of Redemption. When redemption of Bonds is required by this Indenture, the Trustee shall give notice, in the name of the City, of the redemption of such Bonds. Such notice shall specify the Series and maturities of the Bonds to be redeemed, the Redemption Date and the place or places where amounts due upon such redemption will be payable and, if less than all the Bonds of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of registered Bonds to be redeemed in part only, together with interest accrued to the Redemption Date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given by first class mail or registered or certified mail, return receipt requested, not less than ten (10) business days nor more than sixty (60) days before the Redemption Date to the Owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books, but failure to mail any such notice shall not affect the validity of the proceedings for the redemption of Bonds with respect to which no such failure occurred; provided, however, that shorter periods before the Redemption Date during which notice pursuant to this Section must be given may be prescribed by a Bond Order or Supplemental Indenture as to Bonds issued pursuant to such Bond Order or Supplemental Indenture. As directed by the City, further notice shall be given by the Trustee in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

Section 312 Payment of Redeemed Bonds. Notice having been given by mail in the manner provided in Section 311, the Bonds or portions thereof so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price, plus

interest accrued and unpaid to the Redemption Date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the Redemption Date. If there shall be called for redemption less than the entire principal amount of a Bond, the City shall execute, the Trustee shall authenticate and the Trustee shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered at the option of the Owner, Bonds of like series and maturity in any of the authorized denominations. If, on the Redemption Date, moneys for the redemption of all the Bonds or portions thereof of any like series and maturity to be redeemed, together with interest to the Redemption Date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been mailed as aforesaid, then, from and after the Redemption Date, interest on the Bonds or portions thereof of such series and maturities so called for redemption shall cease to accrue and become payable. If said moneys shall not be available on the Redemption Date, such Bonds or portions thereof shall continue to bear interest until paid or provided for at the same rate as they would have borne had they not been called for redemption.

ARTICLE IV
PLEDGE OF INDENTURE; SOURCES OF PAYMENT
AND SECURITY FOR THE BONDS

Section 401 The Bonds; Pledge of Indenture; Grant of Security Interest. The City hereby grants a valid, binding, enforceable, non-avoidable, continuing postpetition security interest in, assigns, transfers, pledges, grants, conveys and hypothecates unto the Trustee and its successors and assigns, on behalf of the Bondowners, forever, on a first priority lien basis, all of the right, title and interest of the City in all of the following described property (collectively, the "Trust Estate"):

(a) All rights and interests of the City in the Pledged Income Tax Revenue and the Asset Proceeds Collateral (collectively the "Collateral").

(b) Amounts on deposit from time to time in the Accounts created pursuant hereto subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein.

The Bonds are also limited tax general obligations of the City, which will be payable from ad valorem taxes annually levied on all taxable property within the City, subject to applicable constitutional, statutory and charter tax rate limitations. The Bonds have been granted super-priority claim status under Section 364(c)(1) of the Bankruptcy Code (without the need to file any proof of claim) and shall also be payable in the manner provided by the Bankruptcy Court Order.

To the fullest extent provided by applicable laws, the money and property hereby pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof, without the necessity of the execution, recordation of filings by the City of financing statements, notices of liens, control agreements or other security documents or the possession or control by the Trustee over any of the Trust Estate, or further act and such lien shall be valid and binding

against all parties having claims in tort, contract or otherwise against the City, irrespective of whether such parties have notice of the claim. Neither the Bond Orders authorizing the Bonds nor this Indenture nor any Supplemental Indenture need be recorded.

Section 402 Creation of Liens. In order to further implement the liens on the Collateral in favor of the holders of the Bonds, the City and the Trustee each hereby covenant to enter into the Account Control Agreement with the Depository Bank, and the Trust Estate shall include the Trustee's rights thereunder in and to the Pledged Income Tax Account.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS; FLOW OF FUNDS

Section 501 Debt Service Fund.

(a) *Establishment of Debt Service Fund and Accounts.* There is hereby created and established with the Trustee, pursuant to the Bond Orders and this Indenture, a single trust fund designated the "Financial Recovery Bonds, Common Debt Service Fund" (hereinafter referred to as the "Debt Service Fund").

Within the Debt Service Fund, there is hereby created and established with the Trustee, pursuant to the Bond Orders and this Indenture, an account designated the "Financial Recovery Bonds, Series 2014 – Common Debt Service Account" (hereinafter referred to as the "Debt Service Account"), and within the Debt Service Account two subaccounts entitled "Scheduled Debt Service Subaccount" and "Asset Proceeds Collateral Mandatory Redemption Subaccount."

(b) *Deposits to Debt Service Fund.* Five Business Days prior to a scheduled Interest Payment Date other than a Maturity Date, the City shall transfer to the Trustee the Debt Service Requirement Amount and the Trustee shall deposit the Debt Service Requirement Amount into the Debt Service Fund, for deposit to the Scheduled Debt Service Subaccount of the Debt Service Account, for the payment of amounts owing with respect to the Bonds on such Interest Payment Date. Three Business Days prior to a scheduled Maturity Date, the City shall transfer to the Trustee the Debt Service Requirement Amount for the Outstanding Bonds and the Trustee shall deposit the Debt Service Requirement Amount into the Scheduled Debt Service Subaccount of the Debt Service Fund, for deposit to the Scheduled Debt Service Subaccount of the Debt Service Account, for the payment of all outstanding principal, premium, if any, and interest on the Bonds.

If, three Business Days prior to a scheduled Interest Payment Date other than a Maturity Date, amounts on deposit in the Scheduled Debt Service Subaccount of the Debt Service Account do not equal the Debt Service Requirement Amount owing with respect to the Bonds on such Interest Payment Date, the Trustee shall send the Depository Bank a Notice of Deficiency and Requisition under the Account Control Agreement and withdraw funds from the Pledged Income Tax Account in accordance with the terms of the Account Control Agreement and deposit into the Scheduled Debt Service Subaccount of the Debt Service Account, an amount sufficient to make the balance of the Scheduled Debt Service Subaccount of the Debt Service

Account equal the Debt Service Requirement Amount owing on such Interest Payment Date. The City shall otherwise retain its rights with respect to the Pledged Income Tax Revenues at all times except as provided in Sections 902 and 708(a) hereof.

If, following the foregoing deposits, the amounts on deposit in the Scheduled Debt Service Subaccount of the Debt Service Account do not equal the Debt Service Requirement Amount owing on such Interest Payment Date in respect of the Bonds, the Trustee shall withdraw funds from the Bond Proceeds Fund in an amount sufficient to make the balance in the Scheduled Debt Service Subaccount of the Debt Service Account equal to the Debt Service Requirement for the applicable series of Bonds owing on such Interest Payment Date.

Asset Proceeds Collateral, if any, shall be transferred by the City within three (3) Business Days of receipt to the Trustee. The Trustee shall deposit the Asset Proceeds Collateral into the Debt Service Fund, for deposit into the Asset Proceeds Collateral Mandatory Redemption Subaccount of the Debt Service Account for the mandatory redemption of Bonds on the next succeeding Interest Payment Date as provided in the Bonds.

(c) *Withdrawals from the Debt Service Fund.* The Trustee, in its capacity as transfer agent and paying agent for the Bonds, shall withdraw from the Scheduled Debt Service Subaccount of the Debt Service Account the amounts necessary to pay when due the Debt Service Requirement Amount for the Bonds on each Payment Date.

(d) *Deposits and Withdrawals from Debt Service Fund upon Termination of the Income Tax Control Agreement.* In addition to the foregoing, in the event that (i) the Income Tax Depository Bank provides the City and the Trustee written notice of termination of the Income Tax Control Agreement and (ii) the City and the Trustee have not entered into a new Income Tax Control Agreement (the "Successor Income Tax Control Agreement") on terms agreeable to the City and the Trustee with a successor Income Tax Depository Bank within seventy-five (75) days following such notice, or such longer period of time as may be agreed upon between the City and the Trustee, then, the City and the Trustee shall begin the implementation of this Section. From the date of termination of the Income Tax Control Agreement until the date the Successor Income Tax Control Agreement is effective, the parties agree that:

(i) the Trustee shall establish a separate account within the Debt Service Fund entitled "Financial Recovery Bonds, Series 2014 - Pledged Income Tax Account," (the "Pledged Income Tax Subaccount") and all references in this Agreement to Pledged Income Tax Account shall refer to this subaccount;

(ii) (a) the City shall establish a deposit account dedicated solely for the receipt of Pledged Income Tax Revenues (the "City Back-Up Income Tax Deposit Account") with, and shall enter into depositary banking agreements with, UMB Bank, N.A., as depositary bank (the "Depository Bank") for, the City Back-Up Income Tax Deposit Account. Such City Back-Up Income Tax Deposit Account will be owned by and in the name of the City, and will incur the Depository Bank's then usual and customary fees for services rendered by the Depository Bank to the City Back-Up Income Tax Deposit Account, (b) the City shall cause all Pledged Income Tax Revenues to be deposited directly by the applicable taxpayers, or the City if remitted by the

taxpayers to the City, into such City Back-Up Income Tax Deposit Account on a daily basis, and (c) the City shall instruct the Depositary Bank in writing (in such form and text as the Depositary Bank and the Trustee shall reasonably require) to transfer the balance of the City Back-Up Income Tax Deposit Account each banking day to the Pledged Income Tax Subaccount established by the Trustee and such balance shall be remitted from the Pledged Income Tax Subaccount to the City daily pursuant to subsection (iv) hereof;

(iii) in the event that the City Back-Up Income Tax Deposit Account were not established as of the termination date of the Income Tax Control Agreement, then (a) the Trustee shall establish a deposit account dedicated solely for the receipt of Pledged Income Tax Revenues (the "Trustee Back-Up Income Tax Deposit Account") with, and shall enter into depositary banking agreements with the Depositary Bank for the Trustee Back-Up Income Tax Deposit Account. Such Trustee Back-Up Income Tax Deposit Account will be owned by and in the name of the Trustee, and will incur the Depositary Bank's then usual and customary fees for services rendered by the Depositary Bank to the Trustee Back-Up Income Tax Deposit Account, (b) the City shall cause all Pledged Income Tax Revenues to be deposited directly by the applicable taxpayers, or the City if remitted by the taxpayers to the City, into such Trustee Back-Up Income Tax Deposit Account on a daily basis, all in compliance with applicable law, (c) the Trustee shall instruct the Depositary Bank in writing (in such form and text as the Depositary Bank and the Trustee shall reasonably require) to transfer the balance of the Trustee Back-Up Income Tax Deposit Account each banking day to the Pledged Income Tax Subaccount established by the Trustee and such balance shall be remitted from the Pledged Income Tax Subaccount to the City daily pursuant to subsection (iv) hereof, and (d) the actions of the Trustee under this subsection (iii) shall be compensable and are protected by Sections 801 and 802 of this Indenture;

(iv) in the event that either subsection (ii) or (iii) hereof is applicable, on a daily basis the Trustee shall remit funds on deposit in its Pledged Income Tax Subaccount in excess of Five Million Dollars (\$5,000,000.00) in collected funds to an account of, or at the direction of, the City. Notwithstanding anything to the contrary in this Section, and for purposes of clarity, nothing in this Section is meant to alter or otherwise modify Section 902 hereof and any accounts established pursuant to this subsection (c) shall remain subject thereto at all times. Except as provided in Sections 902 and 708(a) hereof, the City shall retain its rights with respect to the Pledged Income Tax Revenues at all times;

(v) in the event that either subsection (ii) or (iii) hereof is inapplicable, if, three Business Days prior to a scheduled Interest Payment Date other than a Maturity Date, amounts on deposit in the Scheduled Debt Service Subaccount of the Debt Service Account do not equal the Debt Service Requirement Amount owing with respect to the Bonds on such Interest Payment Date, the Trustee shall withdraw funds from the Pledged Income Tax Subaccount and deposit into the Scheduled Debt Service Subaccount of the Debt Service Account, an amount sufficient to make the balance of the Scheduled Debt Service Subaccount of the Debt Service Account equal to the Debt Service Requirement Amount owing on such Interest Payment Date. The City shall otherwise retain its rights with respect to the Pledged Income Tax Revenues at all times except as provided in Sections 902 and 708(a) hereof.

Section 502 Costs of Issuance Fund. There is hereby created and established with the Trustee pursuant to the Bond Orders and this Indenture, a trust fund designated the "Financial Recovery Bonds Costs of Issuance Fund" (the "Costs of Issuance Fund"). Upon the issuance of the Bonds, there first shall be deposited in the Costs of Issuance Fund, a portion of the proceeds of the Bonds, in an amount as necessary to pay the costs of issuance of the Bonds. Moneys on deposit in the Costs of Issuance Fund shall be used by the Trustee to pay the costs related to the issuance of the Bonds.

Section 503 Bond Proceeds Fund. There is hereby created and established with the Trustee pursuant to the Bond Orders and this Indenture, a trust fund designated the "Financial Recovery Bonds, Bond Proceeds Fund" (the "Bond Proceeds Fund"). There shall be deposited into the Bond Proceeds Fund the remainder of the net proceeds of the Bonds after the deposit of amounts necessary to pay Costs of Issuance into the Costs of Issuance Fund pursuant to Section 502 hereof as specified by the Emergency Manager in the Bond Orders.

There is hereby created and established with the Trustee, pursuant to the Bond Orders and this Indenture, an account designated the "Financial Recovery Bonds, Series 2014 – Bond Proceeds Account" (hereinafter referred to as the "Bond Proceeds Account"). Moneys on deposit in the Bond Proceeds Account shall be used only to pay for the Quality of Life Projects all in such amounts and for such Quality of Life Projects as directed by the Emergency Manager in a form acceptable to the Trustee (upon which the Trustee may conclusive rely) and shall also be available, for so long as any funds remain on deposit therein, for deposit to the Debt Service Fund in accordance with Section 501(b), provided, however, that the City shall not be required to seek the Trustee's approval for Quality of Life Project expenditures and shall not be required to keep any funds on deposit in the Bond Proceeds Account following the date or dates on which Quality of Life Project expenditures are made. Any balance remaining in such Account after the Maturity Date shall be deposited in the Series Debt Service Account.

Section 504 Amounts Remaining in Funds and Accounts. Any amounts remaining in any fund or account after full payment of the Bonds or provision for payment thereof shall be distributed by the Trustee to the City in accordance with Section 1102 and 1103.

Section 505 Approval of Account Control Agreement. The City shall cause to be deposited greater than 90% of the Income Tax Revenues into the Pledged Income Tax Account, which such deposits and account shall be governed by the Account Control Agreement at all times. The Pledged Income Tax Account constitutes part of the Trust Estate; provided, however, that, subject to Sections 708(a) and 902(c) hereof, the City shall be authorized to use all Pledged Income Tax Revenue for any purpose permitted by law, without limitation at any time, including during an Event of Default.

ARTICLE VI

INVESTMENT OF FUNDS

Section 601 Permitted Investments. All money held by the Trustee pursuant to this Indenture shall be invested by the Trustee in accordance with written instructions from the City

in Permitted Investments for the funds of the City. If the Trustee does not receive written investment direction from the City, the Trustee shall invest all money held by it as provided in subsection (f) hereof. For purposes of this Article VI, "Permitted Investments" shall mean and include any of the following, as may be further restricted in each Sale Order or Supplemental Indenture for the related series of Bonds:

(a) bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States;

(b) certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution having a long term rating of not less than A2/A/A;

(c) commercial paper rated at the time of purchase within the highest classifications (A-1/P-1/F1) established by not less than 2 standard rating services and that matures not more than 90 days after the date of purchase (but in any event no later than when the funds are required);

(d) repurchase agreements consisting of instruments listed in subdivision (a);

(e) Bankers' acceptances of United States banks rated at least A2/A/A;

(f) mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation, however, a mutual fund is not disqualified as a permissible investment solely by reason of one of the following:

(i) the purchase of securities on a when-issued or delayed delivery basis,

(ii) the ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned, or

(iii) the limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes;

(g) obligations described in subdivisions (a) through (f) if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, Act 7, Public Acts of Michigan, 1967 (Ex Sess), as amended, MCL 124.501 to 124.512;

(h) investment pools organized under the Surplus Funds Investment Pool Act, Act 367, Public Acts of Michigan, 1982, as amended, MCL 129.111 to 129.118; and

(i) The investment pools organized under the Local Government Investment Pool Act, Act 121, Public Acts of Michigan, 1985, MCL 129.141 to 129.150.

Section 602 Valuation and Sale of Investments. In computing the amount in any Account, obligations purchased as an investment of moneys therein shall be valued at their

Value, as hereinafter defined, plus accrued interest in each case. "Value" means the value of any investments calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to the time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(c) as to certificates of deposit and banker's acceptances: the face amount thereof, plus accrued interest, if any; and

(d) as to any investment not specified above: the value thereof established by prior agreement between the City and the Trustee.

Except as otherwise provided herein, the Trustee shall sell, or present for redemption, any Permitted Investment whenever it shall be requested in writing by an Authorized Officer to do so or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Account held by it in accordance with the terms of this Indenture. As set forth hereunder a Permitted Investment may be credited on a pro rata basis to more than one Account and need not be sold in order to provide for the transfer of amounts from one Account to another.

ARTICLE VII

PARTICULAR COVENANTS OF THE CITY

The City covenants and agrees with the Trustee and the Owners of the Bonds as follows:

Section 701 Payment of Bonds. The City shall duly and punctually pay or cause to be paid, as herein provided, the principal or Redemption Price of every Bond and the interest, if any, thereon, at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof.

Section 702 Power to Issue Bonds and Pledge Revenues, Funds and Other Property. As of the date hereof, the City is duly authorized to authorize and issue the Bonds and to enter into, execute and deliver this Indenture and to pledge the assets and revenues purported to be pledged hereby in the manner and to the extent herein provided. As of the date hereof, the assets and revenues so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon, or with respect thereto prior to the pledge created hereby, and all corporate or other action on the part of the City to that end has been and will be duly and validly taken. As of the date hereof, the Bonds and the provisions of this Indenture are and will be the valid and legally enforceable obligations of the City in accordance with their terms and terms of this

Indenture. The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Trust Estate and other assets and revenues, including rights therein pledged under this Indenture, and all the rights of the Bondowners under this Indenture against all claims and demands of all persons whomsoever. The City shall not, without the prior consent of the Trustee, sell, transfer, encumber or hypothecate the Pledged Income Tax Revenue or any City receivables of levies of excise taxes on income pursuant to applicable law that would otherwise become Pledged Income Tax Revenue.

Section 703 Maintenance of Perfected Security Interests; Further Assurances; Notices of Default. At any and all times the City shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be reasonably necessary or desirable to convey, grant, pledge and perfect to the Bondowners first priority security interests in the Trust Estate. The City shall notify the Trustee immediately upon becoming aware of any Event of Default or occurrence of an event that, with the passage of time, will become an Event of Default hereunder, including, for the avoidance of doubt, any failure to comply with Section 708 hereof.

Section 704 Tax Covenants. The City shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on Tax-Exempt Bonds shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation under Section 103 of the Code, or any successor provisions thereto. The City shall comply with all requirements of any Non-Arbitrage and Tax Compliance Certificate delivered by the City in connection with a Series of Tax-Exempt Bonds.

Section 705 Compliance With Conditions Precedent. Upon the date of issuance of any of the Bonds, all conditions, acts and things required by law or by this Indenture to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed, or will have happened or been performed, and such Bonds, together with all other indebtedness of the City, shall be within every debt and other limit prescribed by law.

Section 706 Accounts and Reports. The City shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all of its transactions relating to the Bonds or the Trust, the Pledged Income Tax Account, the Asset Proceeds Collateral and all Accounts established by this Indenture which shall at all reasonable times be subject to the inspection of the Trustee.

Section 707 Issuance of Additional Obligations. The City hereby covenants that as long as the Bonds are outstanding, the City will not create or permit the creation of or issue any additional indebtedness or interest rate exchange agreement which will be secured by a charge or lien on the Collateral or that has a superior payment priority to the Bonds. The issuance of any series of bonds hereunder, other than the Bonds, shall require compliance with Section 1002 of this Indenture.

Section 708 Income Tax Revenues and Accounts. The City shall at all times:

(a) maintain a minimum balance of no less than \$5,000,000 in the Pledged Income Tax Account;

(b) maintain Pledged Income Tax Revenue at a minimum level of aggregate receipts of \$30,000,000 for all consecutive 3-month periods measured in complete calendar months; and

(c) (i) take such steps as shall be reasonably necessary to levy the taxes generating the Pledged Income Tax Revenue to the maximum extent authorized by applicable law and (ii) take such steps as shall be reasonably necessary to collect the taxes generating the Pledged Income Tax Revenue to the maximum extent required by the City to comply with its covenants and obligations under the Financing Documents.

Section 709 Asset Proceeds Collateral. The City shall deposit Asset Proceeds Collateral with the Trustee within three (3) Business Days of receipt thereof, for deposit in accordance with Section 501(b) hereof. Furthermore, the City hereby covenants that as long as the Bonds are outstanding, no Asset Proceeds Collateral shall be used for any purpose other than payment of the principal of and interest on the Bonds, unless the City shall request in writing a use for such proceeds other than as set forth in this Section 709, and majority of Bondowners shall consent in writing.

Section 710 Contesting Enforceability. The City covenants that it will not seek to invalidate or refute the enforceability of any Financing Document, notwithstanding the dismissal of the Bankruptcy Case.

ARTICLE VIII

THE TRUSTEE

Section 801 Powers and Duties of Trustee.

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters hereof, and may in all cases be reimbursed hereunder for reasonable compensation paid to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust hereof. The Trustee may act upon an opinion of counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion of counsel.

(b) The Trustee shall not be responsible for any recital herein, or for the validity of the execution by the City of this Indenture, or of any supplements thereto or instruments of further assurance, or for the validity or sufficiency of, or filing of documents related to the security for the Bonds intended to be secured hereby.

(c) The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate believed in good faith to be genuine and correct, signed on behalf of the City by an authorized officer of the City as sufficient evidence of the facts therein contained, the Trustee may also accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be found to secure the same.

(f) The permissive right of the Trustee to do things enumerated in this Indenture, as amended, shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees and agents.

(g) The Trustee shall not be required to give any note or surety in respect to the execution of its rights and obligations hereunder.

(h) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purpose for which they were received, but need not be segregated from other funds except to the extent required by this Indenture, as amended, or by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(i) The Trustee shall not be under any obligation to initiate any suit or to take any remedial proceeding under this Indenture or to take any steps in the execution of the trusts created by this Indenture or in the enforcement of any rights and powers under this Indenture until it has been indemnified to its satisfaction against any and all fees, costs and expenses and other reasonable disbursements and against all liability.

(j) The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds, except for liability for its own gross negligence or willful misconduct.

(k) The Trustee may become the holder of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of holders, whether or not such committee shall represent the holders of a majority in principal amount of the Bonds then outstanding.

(l) The Trustee shall not be liable for any error of judgment made in good faith by any of its officers, employees, agents or representatives, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(m) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or in exercising any trust or power conferred upon the Trustee under this Indenture. If the Trustee receives directions from more than one such group of holders, it shall act in accordance with the direction of the holders holding the largest aggregate principal amount of the Bonds at the time outstanding, provided that such directions are consistent with this Indenture.

(n) The Trustee has no obligation or liability to the holders for the payment of interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

(o) Whether or not therein expressly so provided, every provision of this Indenture or related documents, including the Account Control Agreement, relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

(p) The Trustee is authorized and directed by the City to enter into the Account Control Agreement.

(q) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If an Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder.

Section 802 Fees and Expenses of Trustee. (a) The Trustee shall be entitled to reasonable fees for services rendered under this Indenture, as amended, and shall be reimbursed for all expenses reasonably incurred in connection with such services. Such fees and expenses shall be payable by the City in an amount agreed to by the City and the Trustee.

(b) If the City shall fail to make any payment required by this Section 802, the Trustee may make such payment from the Debt Service Fund, and shall be entitled to a preference therefor over any Outstanding Bonds.

Section 803 Resignation; Appointment of Successor Trustee; Successor Trustee Upon Merger, Consolidation or Sale. (a) The Trustee and any successor Trustee may resign only upon giving 60 days' prior written notice to the City and the Bondowners. Such resignation shall take effect only upon the appointment of a successor Trustee as described in Section 805 below and the acceptance of such appointment by the successor Trustee. Upon appointment of a successor Trustee, the resigning Trustee shall, after payment of its fees, costs and expenses, assign all of its right, title and interest in the Pledged Income Tax Revenue and Asset Proceeds Collateral, and transfer and assign its right, title and interest in the Indenture to the successor

Trustee. The successor Trustee shall meet the requirements of Section 803(b) below and shall accept in writing its duties and responsibilities hereunder and file such acceptance with the City.

(b) In case the Trustee shall give notice of resignation or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public office or offices, or of a receiver appointed by a court, a successor may with the prior written consent of the City (to the extent that no "Event of Default" shall have occurred and be continuing under this Indenture), be appointed by the owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys in fact, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the City, the retiring Trustee, and the successor Trustee. In the absence of an appointment by the Bondowners, the City may appoint a successor Trustee, by an instrument in writing signed by an authorized officer of the City, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Trustee and the successor Trustee. If the owners of the Bonds and the City fail to so appoint a successor Trustee, hereunder within thirty (30) days after the Trustee has given notice of its resignation, has been removed, has been dissolved, has otherwise become incapable of acting hereunder or has been taken under control by a public officer or receiver, the Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor hereunder. Every such Trustee appointed pursuant to the provisions of this Section 803 (i) shall at all times be a bank having trust powers or a trust company, (ii) shall at all times be organized and doing business under the laws of the United States of America or of any state, (iii) shall have, or be wholly owned by an entity having, a combined capital and surplus of at least \$500,000,000 and having a long term rating of at least A2/A/A, (iv) shall be authorized under such laws to exercise corporate trust powers, and (v) shall be subject to supervision or examination by federal or state authority.

(c) Any corporation or association into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, provided such company shall be eligible under Section 803(b) hereof, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 804 Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing (a) delivered to the Trustee and the City and signed by the owners of a majority in aggregate principal amount of Bonds then Outstanding, or (b) delivered to the Trustee and signed by the City; provided that if an Event of Default has occurred and is continuing hereunder, the Trustee may not be removed without the consent of the holders of a majority in aggregate principal amount of the Bonds then Outstanding. No removal of the Trustee and no appointment of a successor Trustee shall become effective until the successor Trustee has accepted its appointment in the manner provided in Section 803 hereof. Upon such removal and the payment of its fees, costs and expenses, the Trustee shall assign to

the successor Trustee all of its right, title and interest in the Trust Estate in the same manner as provided in Section 803 hereof.

Section 805 Appointment of and Transfer to Successor Trustee. If the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor trustee shall be appointed by the City as soon as possible thereafter in accordance with this Article VIII.

Any successor Trustee appointed hereunder shall execute and deliver to its predecessor and the City an instrument in writing accepting such appointment and thereupon shall become fully vested with all the powers and duties under the Indenture, as amended. The Trustee, if it ceases to act as Trustee, shall execute, acknowledge and deliver such instruments of conveyance, without warranty or recourse, and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the trusts, powers and duties under the Indenture, as amended, and any property held by it under the Indenture, as amended, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES ON DEFAULT

Section 901 Events of Default. Any one or more of the following events shall be deemed an "Event of Default" hereunder:

(a) The failure of the City to pay, when due, any interest on any or all of the Bonds on any date when such interest is due and payable;

(b) The failure of the City to pay, when due, any principal or premium, if any, of any or all Bonds, whether on the Maturity Date or Redemption Date thereof,

(c) The City shall default in the performance or observance of any of the other covenants, agreements or conditions on its part contained in this Indenture (other than covenants otherwise specifically covered by this Section 901) and such default is not remedied within fifteen (15) days following receipt by the City of notice from the Trustee of such default;

(d) If (i) the City shall fail to make a scheduled payment in excess of \$25,000,000, when due and owing, in respect of Post-Petition Date Debt (other than the obligations with respect to the Bonds), or (ii) Post-Petition Date Debt in an outstanding aggregate principal amount exceeding \$25,000,000 is accelerated, which results in such debt becoming immediately due and payable, and in the case of either (i) or (ii), such event is not cured within any grace period provided therefor in the applicable documents;

(e) If material post-petition judgments, which are final and nonappealable, are rendered against the City involving liability in an aggregate amount exceeding \$25,000,000 and such judgments are not paid within thirty (30) days of such judgments becoming nonappealable;

(f) If a court of competent jurisdiction finds that any of the Financing Documents are invalid or unenforceable and such finding is not stayed pending appeal;

(g) If there is a written assertion by the City or an Authorized Officer that any Financing Document or the Bankruptcy Court Order is invalid or otherwise not binding on the City and such written assertion is not retracted or otherwise disavowed within five (5) days of publication;

(h) If the Bankruptcy Case is dismissed prior to the confirmation of a plan of adjustment, and the order dismissing the Bankruptcy Case is not stayed pending appeal;

(i) The reversal or modification, by the entry of an order that is not stayed pending appeal and in a manner adverse to the Registered Owners, of the Bankruptcy Court's order dated December 5, 2013 [Docket No. 1945] granting the City chapter 9 bankruptcy relief;

(j) If the City shall file, consent to, or fail to file a written opposition to a motion seeking dismissal of the Bankruptcy Case within the applicable times established by the Bankruptcy Court for filing a response to such dismissal motion;

(k) If the Bankruptcy Court shall grant any super-priority claim pursuant to sections 364(c)(1), 503 and 507(a)(2) of the Bankruptcy Code in favor of any party other than the Registered Owners (other than as permitted under the Financing Documents);

(l) If there is (i) entry of an order by a court of competent jurisdiction, without the prior written consent of the Registered Owners holding 51% of the Outstanding amount of the Bonds, amending, supplementing or otherwise modifying the Bankruptcy Court Order in a manner adverse to the Registered Owners, or (ii) an order of a court of competent jurisdiction reversing, vacating or staying the effectiveness of the Bankruptcy Court Order, and in either (i) or (ii), such order is not stayed pending appeal;

(m) If the liens or super-priority claims granted in the Bankruptcy Court Order in respect of the Bonds shall cease to be valid, perfected and enforceable in all respects with the priority described herein and therein;

(n) The failure by the City to comply with the provisions of Section 708(a) with respect to Pledged Income Tax Revenue in the Income Tax Revenue Account and such failure is not cured within two (2) Business Days;

(o) If the City ceases to be under the control of the Emergency Manager, or successor emergency manager, for a period of thirty (30) days unless a Transition Advisory Board or consent agreement reasonably determined by the Registered Owners holding 51% of the Outstanding amount of the Bonds, or a designee or successor as consented to by the City (which

consent shall not be unreasonably withheld), to ensure continued financial responsibility shall have been established pursuant to Act 436 or any successor statute; or

(p) Any representation or warranty made by the City in this Indenture, any Financing Document or in any certificate, document, instrument, opinion or financial statement made or delivered pursuant to or in connection with this Indenture or with any of the other Financing Documents, shall prove to have been incorrect, incomplete or misleading in any material respect as of the time of such representation or warranty.

Section 902 Remedies. (a) *General*. Upon the occurrence of an Event of Default, subject to Section 1108, the Trustee may pursue any remedy permitted by law to enforce the performance of or compliance with the provisions of this Indenture, including without limitation, the acceleration of the Bonds in accordance with Section 902(b) below.

(b) *Acceleration*. Upon the occurrence and continuation of an Event of Default, the Trustee may and shall, at the direction of the Registered Owners holding 25% of the Outstanding amount of the Bonds, proceed, in its own name, to protect or enforce the rights of the Trustee and the holders of the related Bonds by declaring the principal of and interest on the Bonds to be immediately due and ordering payment in the manner provided by Section 902(c)(i) and/or Section 902(c)(ii) hereof, provided that, following an Event of Default, the Spread in the Bond Rate shall increase by 200 basis points, and the increased Bond Rate shall continue to accrue on unpaid principal until paid in full. Following acceleration, the Trustee shall send the Depository Bank a Notice of Control under the Account Control Agreement.

(c) *Post-Acceleration Debt Service*. Upon an Event of Default, and following acceleration of the Bonds pursuant to Section 902(b):

(i) The Trustee, on behalf of the Bondowners, shall be entitled to accelerated, mandatory payment of principal and interest of the Bonds on a monthly basis (such monthly payment date constituting a Redemption Date for purposes of calculating principal and interest on the Bonds) on a level debt basis equivalent to \$4,000,000 per month from the Pledged Income Tax Revenue and payable from the Pledged Income Tax Account in accordance with the provisions of Section 501(b) hereof, plus the proceeds of any Asset Proceeds Collateral.

(ii) Upon any acceleration of the Bonds following the occurrence of an Event of Default under Section 901(a), (b), (f), (g), (h), (i), (j), (k), (l), or (m), the Trustee, on behalf of the Bondowners of the Bonds, shall be entitled to apply any moneys remaining on deposit in the Bond Proceeds Fund to the Bonds; and

(iii) Payment on the Bonds is not limited to the Trust Estate, and the Trustee, on behalf of the Bondowners of all of the Bonds, may be entitled to seek payment from the City, (without the need to file any proof of claim), in accordance with the Section 364(c)(1) superpriority claim status of the Bankruptcy Court Order.

(d) The monthly payment provisions of subsection (i) above do not modify the obligation of the City to pay the Bonds in full upon (i) dismissal of the Bankruptcy Case, (ii) the effective

date of a confirmed plan of adjustment filed in the Bankruptcy Case, or (iii) the date that is two years and six months after the Date of Original Issue, which obligation is automatic and does not require action by the Trustee or Bondholders under Section 902(b).

(e) *Enforcement.* Upon the occurrence and continuation of an Event of Default, subject to Section 1108, the Trustee may and shall, at the direction of the Registered Owners holding 25% of the Outstanding amount of the Bonds, proceed in its own name, to protect or enforce the rights of the Trustee and the holders of the related Bonds by mandamus or other suit, action or proceedings at law or in equity, to (i) enforce the rights of the Registered Owners and the Obligations of the City under this Indenture and the Financing Documents, (ii) enjoin any act or thing which may be unlawful or in violation of the rights of Registered Owners; and (iii) enforce the rights of Registered Owners in and to the Trust Estate.

(f) *Owner Right of Action.* If the Registered Owners holding 25% of the Outstanding amount of the Bonds shall have complied with all conditions prerequisite to the requiring of action on the part of the Trustee and said Trustee shall refuse to act, then one or more of the Owners of the Bonds shall have the right to bring any action or actions as the Trustee might have instituted for and on behalf of the Owners of all Outstanding Bonds.

Section 903 Waiver of Default. Following an Event of Default, the Trustee shall at the direction of the Registered Owners holding 51% of the Outstanding amount of the Bonds, waive an Event of Default hereunder and annul its consequences. No such waiver shall extend to or affect any subsequent Event of Default or shall impair any right consequent thereon.

Section 904 Possession of Bonds by Trustee Not Required. All rights of action under this Indenture enforceable by the Trustee may be enforced by it without the possession of any of the Bonds or the production thereof at any proceedings relative thereto. Any action instituted by the Trustee shall be brought in its name for the benefit of all the holders of the related Bonds, subject to the provisions of this Indenture.

Section 905 Remedies Cumulative. The rights and remedies of the Trustee and the holders of Bonds shall be cumulative, and any failure on its or their part to act shall not constitute a waiver of any right or remedy to which it or they may be entitled to hereunder or under applicable law or in equity.

Section 906 Knowledge by Trustee of an Event of Default. The Trustee shall not be deemed to have knowledge of any Event of Default under Section 901(c) hereinabove unless and until it shall have actual knowledge thereof, or shall have received written notice thereof from any Bondowner at its address and location specifically designated for receiving notices pursuant hereto. Except as otherwise expressed herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder.

Section 907 Application of Monies. All moneys received by the Trustee and deposited in the Debt Service Fund pursuant to any right given or action taken under the provisions of this Article shall be applied first to the payment of the costs and expenses of the proceedings

resulting in the collection of such moneys and expenses, liabilities, advances and charges incurred or made by the Trustee.

ARTICLE X

SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THIS INDENTURE

Section 1001 Modifications and Amendments Not Requiring Consent. Any provision of this Indenture may be amended at any time by the parties hereto, without the consent of the holders of the Bonds, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture or in any supplemental agreement.
- (b) To grant to or confer upon the Trustee for the benefit of the holders of Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon such holders or the Trustee.
- (c) To accomplish, implement or give effect to any other action which is expressly authorized or required by this Indenture.
- (d) To comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to the Bonds.
- (e) To appoint separate or successor trustees, paying agents or bond registrars.
- (f) To implement a change to the definitions of "LIBOR Floor" or "Spread" and such other changes in connection with any syndication of the Bonds by the Purchaser consistent with the terms of the Financing Documents.
- (g) To make any other change which, in the judgment of the Trustee, is not to the material prejudice of holders of the Bonds, upon the opinion of Bond Counsel or other professionals.

Within thirty (30) days after the execution of any supplement pursuant to this Section 1001, the Trustee shall cause notice thereof to be mailed, postage prepaid to all owners of Bonds at their addresses as they appear on the registration books. The notice shall briefly set forth the nature of the supplement and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all such holders. Any such supplement so executed shall be valid and binding notwithstanding any failure of the Trustee to mail the notice herein required and notwithstanding any objections which may be received pursuant to any mailed notice.

Upon the execution of any supplement pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith and the respective rights, duties and obligations under this Indenture of the City, the Trustee and all holders of outstanding Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 1002 Amendments Requiring Consent. Any provision of this Indenture may be amended at any time by written agreement of the parties hereto, but, except as provided in this Section 1002, no such amendment made after the issuance of any Bonds shall become effective until approved in writing by the holders of a majority of the principal amount of all outstanding Bonds, other than those in the possession of the City or under its control; provided, however, no such amendment may (i) extend the maturity of the principal of or the interest on any Bonds or (ii) reduce the principal amount of any Bonds or the rate of interest thereon, or (iii) grant a privilege or priority of any Bonds over any other Bonds of the same series, or (iv) reduce the aggregate principal amount of the Bonds required for consent to such supplemental or amendatory indenture unless approved by the holders of all outstanding Bonds. Nothing herein contained, however, shall be construed as making necessary the approval of the holders of Bonds of the execution of any supplement as authorized in Section 1001 of this Article.

If at any time the City shall request the Trustee to execute any supplement for any of the purposes of this Section 1002, the Trustee shall cause notice of the proposed supplement to be mailed, postage prepaid to all applicable owners of registered Bonds at their addresses as they appear on the registration books. The notice shall briefly set forth the nature of the proposed supplement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by any holders of Bonds. The Trustee shall not, however, be subject to any liability to any holder of Bonds by reason of its failure to mail the notice required by this Section 1002, and any such failure shall not affect the validity of such supplement when executed as provided in this Section.

Whenever, at any time within one year after the date of the first mailing of such notice, the City shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the holders of not less than a majority in aggregate principal amount of the Bonds outstanding, which instrument or instruments shall refer to the proposed supplement described in such notice and shall specifically consent to and approve the acceptance thereof in substantially the form of the copy thereof referred to in such notice, the Trustee may, thereupon, but not otherwise, execute such supplement, without liability or responsibility to any holder of any Bond, whether or not such holder shall have consented thereto. If the holders of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the acceptance of such supplement shall have consented to and approved the acceptance thereof as herein provided, no holder of any Bonds shall have any right to object to the acceptance of said supplement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the acceptance thereof or to enjoin or restrain the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplement pursuant to the provisions of this Section, this Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the City, the Trustee and all holders of Bonds outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 1003 Consent of Trustee. Prior to executing any supplement to this Indenture, the Trustee shall be entitled to receive and shall be fully protected in relying upon a certificate of

the City as proof of the necessity or desirability of any such supplement provided for in Section 1001 hereof and an opinion of counsel for the City that such supplement complies with the provisions of such Section. Such certificate shall specifically request the Trustee to enter into such supplement. Whenever the provisions of Sections 1001 and 1002 hereof require the Trustee to include in notices to holders of Bonds a description of a proposed amendment or supplement, such description shall be provided by the City.

The Trustee may in its discretion, but shall not be obligated to, enter into any such supplement to this Indenture authorized by Section 1001 and 1002 which adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 1004 General Provisions Relating to Supplemental Indentures. This Indenture shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article X. Nothing contained in this Article X shall affect or limit the rights or obligations of the City to execute and deliver to the Trustee any instrument elsewhere in this Indenture provided for or permitted to be delivered to the Trustee.

A copy of every Supplemental Indenture entered into pursuant to this Indenture shall be accompanied by a Bond Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully adopted in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, is valid and binding upon the parties to the Supplemental Indenture and enforceable in accordance with its terms and, in the case of Bonds the interest upon which is excludable from gross income for federal income tax purposes, stating that such Supplemental Indenture will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Bonds.

ARTICLE XI

MISCELLANEOUS

Section 1101 Notices. Except as other provided, all notices, certificates, requests, complaints, demands or other communications under this Indenture shall be deemed sufficiently given when sent by first class mail or overnight mail postage prepaid, addressed as follows:

- | | |
|-----------------------------------|--|
| A. If to the City, to: | City of Detroit
Finance Administration
Coleman A. Young Municipal Center
2 Woodward Ave., Suite 1200
Detroit, MI 48226 |
| B. If to the Depository Bank, to: | Comerica Bank
411 W. Lafayette MC 3354
Detroit, MI 48226
Fax. No.: 313-222-3900
Attn: LaJeanna Turner |

And With a copy to:

Comerica Bank
39200 6 Mile Road MC 7619
Livonia, MI 48152
Fax. No.: 734-632-4540
Attn: Chris Georvassilis

C. If to the Trustee, to:

UMB Bank, N.A.
Attn: Anthony Hawkins, V.P.
Corporate Trust Division
1010 Grand Boulevard, 4th Floor
Kansas City, MO 64106
Ph. 816-860-3014
Fax 816-860-3029
Email Anthony.hawkins@umb.com

The City and the Trustee may by notice given hereunder, in writing, designate any further or different addresses to which subsequent notices, certificates, requests, complaints, demands or other communications hereunder shall be sent.

Section 1102 Termination. This Indenture shall terminate following delivery of written direction from the City to the Trustee to so terminate, together with written notice: (1) that all Bonds have been paid in full at maturity or defeased (and for each series of Bonds that have been or are to be defeased prior to termination, such notice shall include written certification by an independent verification agent for the City that sufficient cash or obligations necessary to defease such Bonds in accordance with the applicable defeasance requirements are on deposit with the Trustee as of the date of the City's notice), and (2) that all fees owed to the Trustee have been paid in full. Upon termination of this Indenture, any money remaining on deposit in the funds and accounts created and established hereunder shall be paid to the City.

The Trustee shall give written notice of the termination of this Indenture to each of the other parties listed in Section 1101 hereof.

Section 1103 Defeasance. Bonds of each series shall be deemed to be paid in full upon the deposit in trust of cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or any combination thereof, not redeemable at the option of the issuer thereof, the principal and interest payments upon which, without reinvestment thereof, will come due at such times and in such amounts, as to be fully sufficient to pay when due, the principal of such Bonds and interest to accrue thereon, as confirmed by a verification report prepared by an independent certified public accountant; provided, that if any of such Bonds are to be called for redemption prior to maturity, irrevocable instructions to call such Bonds for redemption shall be given to the Trustee. Such cash and securities representing such obligations shall be deposited with a bank or trust company and held for the exclusive benefit of the Registered Owners of such Bonds. After such deposit, such

Bonds shall no longer be entitled to the benefits of this Indenture (except for any rights of transfer or exchange of Bonds as therein or herein provided for) and shall be payable solely from the funds deposited for such purpose and investment earnings, if any, thereon, and the lien of this Indenture for the benefit of such Bonds shall be discharged.

Section 1104 Severability. If any one or more sections, clauses or provisions of this Indenture shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions of the Indenture.

Section 1105 Headings. Any headings shall be solely for convenience of reference and shall not constitute a part of the Indenture, nor shall they affect its meaning, construction or effect.

Section 1106 Indenture Executed in Counterparts. This Indenture may be executed simultaneously in several counterparts, each of which shall be deemed an original, and such counterparts together shall and will constitute one and the same instrument.

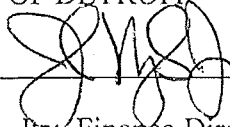
Section 1107 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Trustee, the City, the registered owners of the Bonds and, to the extent expressly set forth herein, the Purchaser, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture on behalf of the City shall be for the sole and exclusive benefit of the Trustee, the City, the registered owners of the Bonds and, to the extent expressly set forth herein, the Purchaser.

Section 1108 Jurisdiction. To the fullest extent permitted by applicable law, each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the Bankruptcy Court in any action or proceeding arising out of or relating to this Indenture (including, without limitation, any actions by the Trustee or the Registered Owners pursuant to Section 902 hereof), or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Court whether or not the Case has been dismissed; provided, however, if the Bankruptcy Court does not have jurisdiction, the parties consent to the non-exclusive jurisdiction of the courts of the State of New York, and the United States District Court, located in the Borough of Manhattan in New York City and of the courts of the State of Michigan, and the United States District Court for the Eastern District of Michigan, located in Detroit, Michigan. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law

IN WITNESS WHEREOF, this Indenture has been signed on behalf of the City by its Emergency Manager and UMB Bank, N.A. to evidence the acceptance of the trust, has caused this Indenture to be executed in its behalf by its authorized officer, all as of the date first above written.

CITY OF DETROIT

By

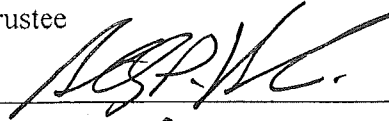


Its: Finance Director

UMB BANK, N.A.,

as Trustee

By



Its:

v.p.

EXHIBIT A
FORM OF SERIES 2014 BOND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the City (as hereinafter defined), or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

R-1
UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WAYNE

CITY OF DETROIT

FINANCIAL RECOVERY BOND, SERIES 2014

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
Variable	Defined herein	April 8, 2014	251093S76

Registered Owner: Cede & Co.

Principal Amount: One Hundred Twenty Million Dollars

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture described herein unless otherwise expressly specified.

The City of Detroit, County of Wayne, State of Michigan (the "Issuer"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date as defined in the Indenture, unless prepaid prior thereto as hereinafter provided, with interest thereon from the Date of Original Issue specified below or such later date to which interest has been paid, until paid, at the Bond Rate per annum described below, and calculated as provided in the Indenture, payable on the Interest Payment Dates, as defined in the Indenture. Principal of this bond is payable at the designated office of UMB Bank, N.A., Kansas City, Missouri, as trustee, bond registrar, transfer agent and paying agent or such other trustee as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any Interest Payment Date (the "Trustee"). Interest on this bond is payable to the registered owner of record as of the 15th day of the month preceding the Interest Payment Date as shown on the registration books of the Issuer kept by the Trustee by check or draft mailed to the registered owner of record at the registered address.

This bond is a single, fully-registered bond of even Date of Original Issue in the principal sum of \$120,000,000, issued under and in full compliance with the Constitution and statutes of the State of Michigan, and particularly Act No. 279, Public Acts of Michigan, 1909, as amended ("Act 279"), for the purpose of financing certain Quality of Life Projects, as defined in the Authorizing Orders, as hereinafter defined. Pursuant to the Authorizing Orders, the bonds of this series (the "Bonds") are limited tax general obligations of the Issuer which will be payable from ad valorem taxes annually levied on all taxable property in the Issuer, subject to applicable constitutional, statutory and charter tax rate limitations. Pursuant to the Authorizing Orders and the Bankruptcy Court Order, the Bonds are secured by (i) a first priority lien on the Asset Proceeds Collateral, and (ii) a first priority lien in the Pledged Income Tax Revenue, each in the manner provided by the Bankruptcy Court Order, the Authorizing Orders and the Indenture. The Bonds have been granted super-priority claim status under Section 364(c)(1) of the Bankruptcy Code (without the need to file any proof of claim) and shall be payable in the manner provided by the Bankruptcy Court Order and the Indenture.

The "Authorizing Orders" are Order No. 2 and a Sale Order dated April 8, 2014 of the Emergency Manager of the City.

The "Indenture" is the Financial Recovery Bond Trust Indenture, dated as of April 8, 2014, between the Issuer and the Trustee.

The Bonds shall bear interest at an initial interest rate per annum equal to the 1-Month LIBOR Rate plus the Spread, as such terms are defined in the Indenture, and may be modified by order of the Emergency Manager or Finance Director of the City in connection with a syndication of the Bonds by the Purchaser and specified in a Supplemental Indenture (the "Bond Rate").

The bonds of this series shall be subject to redemption prior to maturity as follows:

(a) *Optional Redemption.* Bonds or portions of bonds in Authorized Denominations of multiples of \$100,000 or integral multiples of \$5,000 in excess thereof are subject to redemption prior to maturity, at the option of the Issuer, in such order as the Issuer may determine, and by lot within a maturity, (i) at any time on or before the first anniversary of the Date of Original Issue, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest and a make-whole premium in an amount equal to the product of (A) the then applicable Bond Rate, (B) the principal amount of the Bonds being redeemed, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such redemption to and including April 8, 2015 and the denominator of which is 360 and (ii) at any time after the first anniversary of the Date of Original Issue, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, without premium or penalty. Notwithstanding the foregoing, partial redemptions funded by cash proceeds derived from a transaction or series of related transactions involving the voluntary disposition or monetization of any Issuer-owned asset which

proceeds are not required to be used to redeem the bonds may occur without premium or penalty at any time upon requisite notice as hereinafter provided.

(b) Mandatory Redemption. There shall be no scheduled amortization of the Bonds until the Maturity Date, absent an Event of Default, provided, however, that the Issuer shall utilize all Asset Proceeds Collateral to redeem the Bonds on a ratable basis upon requisite notice as hereinafter provided, as and when such net proceeds are received by the Issuer.

General Redemption Provisions. In case less than the full amount of an outstanding bond is called for redemption, the Trustee, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than ten (10) Business Days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the Trustee to redeem said bond or portion thereof.

This bond is transferable only upon the registration books of the Issuer kept by the Trustee by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Authorizing Orders authorizing this bond and upon the payment of the charges, if any, therein prescribed.

Event of Default Provisions. The Bonds are subject to Events of Default and acceleration in the manner, at the times and subject to the conditions specified in the Indenture and incorporated herein and made a part hereof by reference.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the Issuer, including this bond and the series of bonds of which this is one, does not exceed any constitutional or statutory debt limitation.

This bond is not valid or obligatory for any purpose until the Certificate of Authentication on this bond has been executed by the Trustee.

IN WITNESS WHEREOF, the City of Detroit, by its Emergency Manager, has caused this bond to be signed in its name with the facsimile signatures of its Emergency Manager and its Finance Director, and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF DETROIT

By _____
Emergency Manager

By _____
Finance Director

(SEAL)

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds mentioned in the within mentioned Authorizing Orders.

UMB Bank, N.A.
Kansas City, Missouri
as Trustee

By _____
Authorized Signatory

Authentication Date: April 8, 2014

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address of transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: The signature(s) to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of such person's authority to act must accompany the bond.

Signature(s) must be guaranteed by a commercial bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges. The Trustee will not effect transfer of this bond unless the information concerning the transferee requested below is provided.

Name and Address: _____

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF TRANSFEREE.

[Empty rectangular box for Social Security Number or other identifying number]

(Insert number for first named transferee if held by joint account.)

(Include information for all joint owners if the bond is held by joint account.)

EXHIBIT B

FORM OF ACCOUNT CONTROL AGREEMENT



DEPOSIT ACCOUNT CONTROL AGREEMENT

This Deposit Account Control Agreement (this "Agreement") is entered into as of April 8, 2014, by and among the City of Detroit, County of Wayne, State of Michigan ("Customer"), UMB Bank, N.A., as Trustee under the Indenture (as defined below) ("Trustee and Secured Party") and COMERICA BANK ("Bank") with reference to the following facts:

- A. Customer maintains the Deposit Account (as defined below) at Bank.
- B. Pursuant to the Indenture (as defined below) Customer has granted Secured Party a security interest in the Deposit Account and all funds now or at any time hereafter held in the Deposit Account.
- C. Secured Party, Customer and Bank have agreed to enter into this Agreement to provide for the control of the Deposit Account by Secured Party and to facilitate Secured Party's perfected security interests in the Deposit Account.

NOW, THEREFORE, in consideration of the mutual promises and covenants, contained herein the parties hereto mutually agree as follows.

ARTICLE 1 - DEFINITIONS

1.01 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Account Charges" means those items described in clauses (i) through (viii) of Section 2.02(c) of this Agreement.

"Banking Office" means, collectively, the locations set forth as the addresses for notice to Bank in Section 3.08 of this Agreement.

"Business Day" means any day, other than a Saturday, Sunday or any other day designated as a holiday under Federal or applicable State statute or regulation, on which Bank is open for all or substantially all of its domestic business in Michigan.

"Collected Balance" means the balance in the Deposit Account that reflects deposits, posted withdrawals and other debits, less deposited items in the process of collection and less Account Charges.

"Deposit Account" means deposit account number 1850706191 held at Bank and including without limitation any and all other deposit account(s) of Customer established with Bank from time to time in replacement or substitution therefor.

"Indenture" means the Financial Recovery Bond Trust Indenture between the City of Detroit, County of Wayne, Michigan and UMB Bank, N.A. as Trustee, dated April 8, 2014.

"Notice of Control" means written notice to Bank in the form attached hereto as Exhibit A.

"Notice of Deficiency and Requisition" means written notice to Bank in the form attached hereto as Exhibit B.

"Order" means any instruction issued by any person with respect to the disposition of any funds contained in the Deposit Account.

"Pledged Income Tax Revenues" means Pledged Income Tax Revenues, as that term is defined in the Indenture.

"Trustee" means Trustee, as defined in the first paragraph hereof.

1.02 Construction. Any reference herein to any document includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Bank, whether under any rule of construction or otherwise. This Agreement has been reviewed by each of the parties hereto, and, to the extent applicable, their respective counsel. This Agreement shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Customer and Secured Party.

ARTICLE 2 - CONTROL

2.01 Bank Obligations and Compliance with Orders Following its Receipt of a Notice of Control. The parties agree that within two (2) Business Days after receipt of a Notice of Control by Bank at the Banking Office, without further consent from Customer, Bank shall:

(a) Honor an Order from Secured Party to transfer monthly (via wire transfer or other means acceptable to Bank) the required Post-Acceleration Debt Service obligations under Section 902(c) of the Indenture (Bank having no obligation to verify the amount of any such obligation or any other term of the Indenture);

(b) Not honor any Order originated by Customer, if (i) doing so would cause the Collected Balance of the Deposit Account to be less than \$5 million or (ii) Secured Party has not been paid Post-Acceleration Debt Service obligations stated in a properly presented Order of Secured Party to Bank (delivered to the Banking Office with copy to the Customer) as being due and owing under Section 902(c) of the Indenture on the dates and times set forth in such Order; and

(c) Honor Orders originated by Customer except as provided in Section 2.01(b) hereof.

Anything contained in the foregoing to the contrary notwithstanding, Secured Party hereby agrees that before it attempts to give Bank any Orders concerning the Deposit Account, Secured Party shall deliver to the Banking Office such documentation as Bank may from time to time reasonably request to evidence the authority of those person(s) whom Secured Party may designate to give Orders, which Bank acknowledges have been provided contemporaneously with execution of this Agreement and that Bank shall be entitled to assume without further inquiry that the person(s) named in any such evidence of authority have the authority to give such Orders. Customer hereby agrees that Bank shall have no duty to notify Customer or make any inquiry whatsoever as to Secured Party's right or authority to give any such Notice of Control or any such Orders, instructions or directions. Secured Party hereby further agrees that before it attempts to give Bank any Orders concerning the Deposit Account requesting a transfer, disposition and/or delivery of funds contained in the Deposit Account by wire transfer, Secured Party shall deliver to the Banking Office such documentation as Bank may from time to time reasonably request to evidence the agreement of Secured Party to Bank's customary wire transfer terms and conditions, including without limitation Bank's Global Wire Transfer Authorization and Security Procedure Agreement and Bank's Declaration for Entering Into Wire Transfer Agreements and designation of authorized agents which Bank acknowledges have been provided contemporaneously with execution of this Agreement.

2.02 Priority of Lien. Bank hereby acknowledges and agrees that:

(a) Bank has received notice of the existence of the security interest of Secured Party in the Pledged Income Tax Revenues and the Deposit Account, and recognizes the security interest granted to Secured Party by Customer;

(b) Said security interest shall be noted by Bank on its books and records;

(c) All of Bank's present and future rights against the Deposit Account are subordinate to Secured Party's security interest therein and Bank waives any right of setoff with respect to the Deposit Account; provided, however, that Secured Party hereby acknowledges and agrees that nothing herein subordinates or waives, and that Bank expressly reserves, all of its present and future rights against amounts on deposit in the

Deposit Account (whether described as rights of setoff, banker's lien, security interest, chargeback or otherwise, and whether available to Bank under the law or under any other agreement between Bank and Customer concerning the Deposit Account, or otherwise) with respect to: (i) items deposited to the Deposit Account and returned unpaid, whether for insufficient funds or for any other reason, and without regard to the timeliness of return of any such items or the occurrence or timeliness of any drawee's notice of non-payment of such items; (ii) ACH entries credited to the Deposit Account and later reversed, whether for insufficient funds or for any other reason, and without regard to the timeliness of such entries' reversal; (iii) chargebacks to the Deposit Account of credit card transactions, without regard to the timeliness of such chargebacks; (iv) erroneous entries to the Deposit Account; (v) overdrafts on the Deposit Account, (vi) claims of breach of the transfer or presentment warranties made to Bank pursuant to the Code in connection with items deposited to the Deposit Account; and (vii) Bank's usual and customary charges for services rendered in connection with the Deposit Account; and

(d) Except as otherwise required by law, Bank shall not enter into any agreement with any third party relating to the Deposit Account or agree that it will comply with any Orders concerning the Deposit Account originated by any such third party without the prior written consent of Secured Party and Customer.

2.03 Control of Deposit Account. At all times during the effectiveness of this Agreement, the parties agree that:

(a) Bank shall comply with Orders originated by Secured Party in accordance with Sections 2.01 and 2.09 without further consent by Customer and consequently, Secured Party has control of the Deposit Account as provided herein, which constitutes "control" under the Michigan Uniform Commercial Code;

(b) Bank shall not comply with any Orders or other instructions concerning the Deposit Account from any third party, other than an Order of the United States Bankruptcy Court for the Eastern District of Michigan in the Customer's Chapter 9 proceeding, Case No. 13-53846, without the prior written consent of Secured Party and Customer, and

(c) Except as provided in Section 2.01(b), Bank may accept and comply with Orders from Customer for the payment of any funds from the Deposit Account to Customer or any third person, or permit Customer to withdraw any funds in the Deposit Account without the specific prior written consent of Secured Party.

2.04 Representations, Warranties and Acknowledgments.

(a) Bank represents and warrants to Secured Party that:

- (i) the Deposit Account has been established and is maintained with Bank at the Banking Office solely in Customer's name as recited above;
- (ii) Bank has no knowledge of any claim to, security interest in or lien upon the Deposit Account, except the security interests in favor of Secured Party and Bank's rights described in Section 2.02(c)(i) – (vii) hereof; and
- (iii) Bank has not knowingly entered into any agreement with any third party regarding the Deposit Account or agreed that it will comply with any Orders concerning the Deposit Account originated by any such third party.

(b) Customer represents, warrants and covenants to the Bank and the Secured Party that (i) it will maintain a minimum Collected Balance of no less than \$5,000,000 in the Deposit Account at all times, (ii) it will not issue any Order to the Bank contrary to the terms of the Indenture, and (iii) it will not transfer its rights or duties under this Agreement contrary to the terms of the Indenture or without the prior written consent of Bank and Secured Party. Bank is not a party to the Indenture and has no obligations thereunder.

(c) Customer and Secured Party represent and warrant to Bank that the execution, delivery, and performance of the Agreement (i) is within Customer's and Secured Party's powers, (ii) has been duly

authorized, executed and delivered by such party, and (iii) does not conflict with nor constitute a breach of any provision contained in any material agreement by which Customer or Secured Party, as applicable, is bound.

2.05 Agreements of Bank and Customer. Bank and Customer agree that:

- (a) Bank will provide Trustee with online read-only Internet access to Deposit Account balance information;
- (b) Customer authorizes Bank to disclose to Secured Party such other information concerning the Deposit Account as Secured Party may from time to time reasonably request;
- (c) Bank shall use commercially reasonable efforts to promptly notify Secured Party and Customer if any other party asserts any claim to, security or property interest in or lien upon the Deposit Account; and
- (d) The Secured Party has been directed to enter into this Agreement pursuant to the Indenture.

2.06 Bank's Responsibility. Anything contained in the foregoing to the contrary notwithstanding:

- (a) Except for permitting a withdrawal not permitted by Section 2.01 or 2.03, Bank shall not be liable to Secured Party for complying with Orders from Customer.
- (b) This Agreement does not create any obligation of Bank except for those expressly set forth in this Agreement. In particular, Bank need not investigate whether the Secured Party is entitled under the Indenture or Secured Party's other agreements with Customer to issue a Notice of Control or to give Orders. In acting or performing under this Agreement, Bank may rely on any papers, documents, notices and communications it believes are given, signed or sent by the appropriate party or its authorized representative;
- (c) Other than as provided in Section 2.06(a) hereof, Bank will not have any liability to Customer or Secured Party for claims, losses, liabilities or damages suffered or incurred by Customer or Secured Party as a result of or in connection with this agreement except to the extent such losses, liabilities and damages directly result from Bank's gross negligence or willful misconduct;
- (d) In the event that Bank is liable to Customer or Secured Party under this Agreement, Bank's liability shall be limited to the lesser of (i) the actual direct and provable amount of money damages suffered by the claiming party, or (ii) the amount maintained in the Deposit Account immediately prior to the action that gave rise to the claim for such liability; and
- (e) In no event shall Bank have any liability to Customer or Secured Party for (1) any consequential, special, punitive or exemplary damages, indirect loss or damage or any lost profits, whether or not any claim for such damages is based on tort or contract or an allegation that Bank knew or should have known the likelihood of such damages in any circumstances, (2) any failure to perform the Bank's responsibilities under this Agreement if such failure is due to strikes, lockouts or other labor disturbances, riots or civil commotions, fire or other casualty, earthquakes, floods, windstorms, lightning or other acts of God, epidemics, sabotage, insurrection, war, civil disorders, hostilities, expropriation or confiscation of properties, equipment failures or malfunctions, power failures, failures of or delays by carriers or other third parties, interference by civil or military authorities, or any other cause or condition beyond the Bank's control, (3) any act or failure to act by Customer or Secured Party, or (4) acting pursuant to a court order, subpoena, garnishment, tax levy or similar process in regard to any account or service covered by this Agreement.

2.07 Indemnity.

(a) Other than as provided in Section 2.06(a) hereof, Customer and Secured Party hereby agree that Bank is released from any and all claims and liabilities to Customer and Secured Party arising from the terms of this Agreement and the compliance by Bank with the terms hereof, except to the extent that such liabilities arise directly from Bank's gross negligence or willful misconduct.

(b) Customer shall indemnify and hold harmless Bank, its officers, directors, employees, and agents from and against any and all claims, liabilities, demands, losses, damages, costs and expenses arising out of this Agreement, except to the extent the claims, liabilities, damages or expenses are caused directly by Bank's gross negligence or willful misconduct.

(c) Customer shall indemnify and hold harmless Secured Party, its officers, directors, employees, and agents from and against any and all claims, liabilities, demands, losses, damages, costs and expenses arising out of this Agreement, except to the extent the claims, liabilities, damages or expenses are caused directly by Secured Party's gross negligence or willful misconduct.

2.08 Termination, Survival.

(a) This Agreement shall terminate:

- (i) immediately upon receipt by the Bank at the Banking Office of written notice in the form of Exhibit C attached hereto from Secured Party expressly stating that Secured Party is terminating this Agreement, and thereupon Bank's duties under this Agreement shall be terminated; and
- (ii) ninety (90) days after delivery to Secured Party and Customer of written notice from Bank stating that it is terminating this Agreement, and thereupon Bank's duties under this Agreement shall be terminated.

(b) Sections 2.06, "Bank's Responsibility," and Section 2.07, "Indemnity," shall survive termination of this Agreement.

2.09 Notice of Deficiency and Requisition. The City and the Secured Party direct the Bank to honor, within two Business Days, each Notice of Deficiency and Requisition Order received from the Secured Party.

ARTICLE 3 - GENERAL PROVISIONS

3.01 Conflicts; Controlling Agreement. As to the matters specifically the subject of this Agreement, in the event of any conflict between this Agreement and any other agreement between Bank and Customer, the terms of this Agreement shall control.

3.02 Final Agreement; Amendments and Waivers. In addition to the terms contained in this Agreement, the parties agree that the Deposit Account will be subject to the terms contained in the Bank's Business and Personal Deposit Account Contract, or such other agreement(s) in effect between Customer and Bank governing the Deposit Account ("Account Contract"). To the extent any term of the Account Contract conflicts with any term of this Agreement, the terms of this Agreement shall prevail. This Agreement and the Account Contract, together with any other document, instrument, or agreement entered into between Bank, Customer and Secured Party in connection therewith with respect to the subject matter contained therein constitutes the entire understanding among each of them with respect to the subject matter thereof. This Agreement supersedes any and all prior oral or written agreements relating to the subject matter hereof. Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the party asserted to be bound thereby, and then such amendment or waiver shall be effective only in the specific instance and specific purpose for which given.

3.03 Successors and Assigns.

(a) This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, and permitted successors and assigns of the parties. Except as provided in this Section, a voluntary transfer of a party's rights or duties under this Agreement without the written consent of the other parties will be void.

(b) Bank may transfer its rights and duties under this Agreement to a transferee to which, by contract or operation of law, Bank transfers substantially all of its rights and duties under the Account Contract.

(c) Secured Party may transfer its rights and duties under this Agreement to a transferee to which, by contract or operation of law, the Secured Party transfers substantially all of its rights and duties under the Indenture or which is named as successor trustee under the Indenture.

(d) No transfer under this Section will be binding upon a non-transferring party until the transferring party or the transferee notifies the non-transferring parties of the transfer in a writing signed by the transferee that identifies the transferee, gives the transferee's address for communications under this Agreement, and states that the transferee is a successor of the transferor or other transferee permitted under this Section and is entitled to the benefit of the transferring party's rights and has assumed all of the transferring party's duties under this Agreement.

(e) A non-transferring party need not request proof of any transfer or that the transferee is a successor of the transferor or other transferee permitted by this Section. If requested by a non-transferring party, however, the transferring party or the transferee will provide reasonable proof thereof. If Bank or Secured Party, as a non-transferring party, requests such proof, then the effectiveness of the notification of transfer as to the non-transferring party will be suspended until the proof is provided.

(f) When a transfer becomes binding on the non-transferring parties, the transferring party will not be entitled to exercise any rights, and will be relieved of its obligations, accruing under this Agreement from and after that time. Those rights may be exercised and those obligations will be incurred by the transferee.

(g) The provisions of subsections (d) and (e) requiring notification for a transfer to be binding on the non-transferring parties and suspending the effectiveness of the notification of transfer until reasonable proof of the transfer has been provided do not apply to Bank as the transferring party if the transfer is by operation of law and by operation of the law (i) the transferee succeeds to all or substantially all of the rights and becomes generally bound by all of the duties of Bank, including Bank's duties under this Agreement, and (ii) the Bank ceases to exist.

3.04 Amendments, Modifications. This Agreement may be amended or modified only in writing signed by all parties hereto.

3.05 Severability of Provisions. If any provision of this Agreement for any reason is held to be invalid, illegal or unenforceable in any respect, that provision shall not affect the validity, legality or enforceability of any other provision of this Agreement.

3.06 Section Headings. Headings and numbers used to identify sections and paragraphs of this Agreement have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each section applies equally to this entire Agreement.

3.07 Counterparts; Facsimile Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile also shall deliver a manually executed counterpart of this Agreement but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

3.08 Notices. All notices, requests and demands which any party is required or may desire to give to any other party under any provision of this Agreement must be in writing (unless otherwise specifically provided) and delivered to each party at the following address:

Bank: Comerica Bank
411 W. Lafayette MC 3354
Detroit, MI 48226
Fax. No.: 313-222-3900
Attn: LaJeanna Turner

And With a copy to: Comerica Bank
39200 6 Mile Road MC 7619
Livonia, MI 48152
Fax. No.: 734-632-4540
Attn: Chris Georvassilis

Customer: City of Detroit
Coleman A. Young Municipal Center
2 Woodward Ave., Suite 1200
Detroit, MI 48226
Attn: John Naglick,
Interim Treasurer and Finance Director

Secured Party: UMB Bank, N.A., as Indenture Trustee
Corporate Trust Division
1010 Grand Boulevard, 4th Floor
Kansas, MO 64106
Fax. No.: (816) 860-3029
Attn: Anthony Hawkins

or to such other address or facsimile number as any party may designate by written notice to all other parties. Each such notice, request and demand shall be deemed given or made as follows: (i) if sent by hand delivery, upon delivery; (ii) if sent by facsimile, upon receipt; and (iii) if sent by overnight courier, upon receipt; provided, however, that in any case, receipt by Bank of any Notice of Control shall not be deemed to have occurred until the Bank delivers written notification (by email or facsimile copy) confirming receipt to the Secured Party. Bank shall attempt in good faith to deliver written notification confirming receipt to the Secured Party promptly following Bank's actual receipt at the Banking Office of the Notice of Control.

3.09 Governing Law. This Agreement shall be deemed to have been made in the state of Michigan and the validity, construction, interpretation, and enforcement hereof, and the rights of the parties hereto, shall be determined under, governed by, and construed in accordance with the internal laws of the state of Michigan without regard to principles regarding the conflicts or choice of law.

3.10 WAIVER OF JURY TRIAL. THE UNDERSIGNED ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS, HIS OR HER CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OTHER DOCUMENT, INSTRUMENT OR AGREEMENT BETWEEN THE UNDERSIGNED PARTIES.

3.11 Consent to Jurisdiction. During the pendency of Customer's chapter 9 bankruptcy case, the Customer, Bank and Secured Party hereby irrevocably submit to the exclusive jurisdiction of the Bankruptcy Court in any action or proceeding arising out of or relating to this Agreement, and Customer, Bank and Secured Party hereby irrevocably agree that all claims in respect of such action or proceeding

may be heard and determined in the Bankruptcy Court, provided, however, if the Bankruptcy Court does not have jurisdiction, the parties consent to the non-exclusive jurisdiction of any United States Federal Court or Michigan state court sitting in Detroit, Michigan in any action or proceeding arising out of or relating to this Agreement and Customer, Bank and Secured Party hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal Court or Michigan state court.

3.12 Only Collected Funds are to be Transferred from the Deposit Account. In no event shall Bank be obligated to transfer uncollected funds from the Deposit Account.

3.13 Effectiveness. This Agreement shall not become effective until executed by the Bank.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date set forth in the first paragraph hereof.

CUSTOMER:

CITY OF DETROIT

By: _____
Name: John Naglick, Jr.
Title: Finance Director

BANK:

COMERICA BANK

By: _____
Name: _____
Title: _____

SECURED PARTY:

UMB BANK, as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A

[FORM OF NOTICE OF CONTROL]

[DATE]

To: Comerica Bank
411 W. Lafayette MC 3354
Detroit, MI 48226
Fax. No.: 313-222-3900
Attn: LaJeanna Turner

And With a copy to:

Comerica Bank
39200 6 Mile Road MC 7619
Livonia, MI 48152
Fax. No.: 734-632-4540
Attn: Chris Georvassilis

Re: Deposit Account Control Agreement for
Account No. 1850706191 (the "Deposit Account")

Ladies and Gentlemen:

The City of Detroit, County of Wayne, State of Michigan ("Customer"), UMB Bank, N.A., a national banking association, ("Trustee" and "Secured Party"), and Comerica Bank ("Bank") previously entered into a Deposit Account Control Agreement dated as of April 8, 2014 (as amended or otherwise modified from time to time, the "Agreement"), a copy of which is attached as Exhibit A. All capitalized terms, unless otherwise defined in this letter, shall have the meanings assigned to them in the Agreement.

Pursuant to the Agreement, the Trustee is hereby providing Notice of Control to the Bank, granting the Trustee rights in the Deposit Account in accordance with the Agreement, more specifically the Trustee instructs the Bank to:

(a) Transfer \$_____ from the Deposit Account on the ___ day of each month (or the next succeeding Business Day if such day is not a Business Day) in accordance with the following wire transfer instructions:

Bank: _____
ABA Number: _____
For Credit to Account Number: _____
Reference: _____

(b) Not honor Orders originated by Customer if (i) so doing would cause the Collected Balance of the Deposit Account to be less than \$5 million or (ii) Secured Party has not been paid Post-Acceleration Debt Service obligations stated in a properly presented Order of Secured Party to Bank (delivered to the Banking Office with a copy to the Customer) as being due and owing under Section 902(c) of the Indenture within three (3) Business Days of the payment date set forth in such Order.

Nothing in this Notice shall limit the rights of the Trustee under the Indenture including but without limitation, in accordance with Section 902(c)(iv) and Section 902(d) thereof.

Please let me know if you have any questions regarding this material.

Sincerely,

[Secured Party]

Enclosure

Acknowledged by Comerica Bank on _____, 20____, by _____

cc: [copy Customer per Section 3.08 of Agreement]

EXHIBIT B

[FORM OF NOTICE OF DEFICIENCY AND REQUISITION]
[DATE]

To: Comerica Bank
411 W. Lafayette MC 3354
Detroit, MI 48226
Fax. No.: 313-222-3900
Attn: LaJeanna Turner

And With a copy to:

Comerica Bank
39200 6 Mile Road MC 7619
Livonia, MI 48152
Fax. No.: 734-632-4540
Attn: Chris Georvassilis

Re: Notice of Deficiency and Requisition related to Deposit Account Control Agreement for
Account No. 1850706191 (the "Deposit Account")

Ladies and Gentlemen:

The City of Detroit, County of Wayne, State of Michigan ("Customer") , UMB Bank, N.A., a national banking association, ("Trustee" and "Secured Party"), and Comerica Bank ("Bank") previously entered into a Deposit Account Control Agreement dated as of April 8, 2014 (as amended or otherwise modified from time to time, the "Agreement"), a copy of which is attached as Exhibit A. All capitalized terms, unless otherwise defined in this letter, shall have the meanings assigned to them in the Agreement.

The Customer has failed to make the required deposits to the Debt Service Fund under the terms of the Indenture. Thus, pursuant to the Agreement, the Trustee is hereby providing Notice of Deficiency to the Customer and the following amount is requisitioned from the Deposit Account, to be remitted to the Trustee within two (2) Business Days hereof.

Requisition Amount: \$ _____

In accordance with the following wire transfer instructions:

Bank: _____
ABA Number: _____
For Credit to Account Number: _____
Reference: _____

Please let me know if you have any questions regarding this material.

Sincerely,

Enclosure

EXHIBIT C

TERMINATION LETTER

[Insert Date]

Comerica Bank
411 W. Lafayette MC 3354
Detroit, MI 48226
Fax. No.: 313-222-3900
Attn: LaJeanna Turner

with a copy to:

Comerica Bank
39200 6 Mile Road MC 7619
Livonia, MI 48152
Fax. No.: 734-632-4540
Attn: Chris Georvassilis

Re: CITY OF DETROIT, ACCOUNT NUMBER 1850706191 LISTED IN AGREEMENT (the "Deposit Account")

Ladies and Gentlemen:

Comerica Bank ("Bank"), UMB Bank, N.A., as Trustee ("Secured Party") and City of Detroit, County of Wayne, State of Michigan ("Customer"), have entered into certain restricted account arrangements as set forth in the Deposit Account Control Agreement dated April 8, 2014, by and among Bank, Secured Party and Customer (as amended or otherwise modified from time to time, the "Agreement") with respect to the Deposit Account. Capitalized terms used, but not otherwise defined herein, shall have the meanings given to them in the Agreement.

Effective as of [] (the "Effective Date") and pursuant to Section 2.08(a)(i) of the Agreement, as of the Effective Date: (i) the Agreement is terminated and is and shall be of no further force and effect, (ii) Secured Party shall have no other or further security interest in or under the Agreement or in the Deposit Account or any amounts received therein or held or deposited therein, and (iii) the name of the Deposit Account shall be changed to omit any reference to Secured Party therein.

Sincerely,

[Insert Secured Party name]

By: _____
Name: _____
Title: _____

cc: [copy Customer per Section 3.08 of Agreement]