Order 008

ORDER OF THE EMERGENCY FINANCIAL MANAGER OF THE CITY OF ECORSE, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF ECORSE OF NOT TO EXCEED $2,600,000 TAX ANTICIPATION NOTES, SERIES 2010, FOR THE PURPOSE OF PAYING OPERATING EXPENDITURES OF THE CITY IN THE CURRENT FISCAL YEAR IN ANTICIPATION OF THE COLLECTION OF TAXES FOR THE NEXT SUCCEEDING FISCAL YEAR AND MAKING AN IRREVOCABLE LEVY OF AN OPERATING TAX BY LAW FOR THE NEXT SUCCEEDING FISCAL YEAR OF THE CITY TO PAY SUCH NOTES UPON MATURITY; PRESCRIBING THE FORM OF THE NOTES; PROVIDING FOR THE RIGHTS OF THE OWNERS OF THE NOTES AND ENFORCEMENT THEREOF; AND DETERMINING OTHER MATTERS RELATING TO THE ISSUANCE AND SALE OF THE NOTES.

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Emergency Financial Manager of the City of Ecorse
(Directive No. 008)

ORDER OF THE EMERGENCY FINANCIAL MANAGER OF THE CITY OF ECORSE, COUNTY OF WAYNE, STATE OF MICHIGAN, AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF ECORSE OF NOT TO EXCEED $2,600,000 TAX ANTICIPATION NOTES, SERIES 2010, FOR THE PURPOSE OF PAYING OPERATING EXPENDITURES OF THE CITY IN THE CURRENT FISCAL YEAR IN ANTICIPATION OF THE COLLECTION OF TAXES FOR THE NEXT SUCCEEDING FISCAL YEAR AND MAKING AN IRREVOCABLE LEVY OF AN OPERATING TAX BY LAW FOR THE NEXT SUCCEEDING FISCAL YEAR OF THE CITY TO PAY SUCH NOTES UPON MATURITY; PRESCRIBING THE FORM OF THE NOTES; PROVIDING FOR THE RIGHTS OF THE OWNERS OF THE NOTES AND ENFORCEMENT THEREOF; AND DETERMINING OTHER MATTERS RELATING TO THE ISSUANCE AND SALE OF THE NOTES.

WHEREAS, the City of Ecorse (the "City"), a municipal corporation of the State of Michigan (the "State"), has been duly created under the provisions of the Home Rule City Act of the State, Act 279, Public Acts of 1909, as amended ("Act 279"), pursuant to which the City has the comprehensive home rule power conferred upon it by Act 279 and the Constitution of the State of 1963 (the "Constitution"), subject only to the limitations on the exercise of that power contained in the Constitution, by statute of the State or by provisions of the City Charter of the City (the "City Charter"); and

WHEREAS, under the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended ("Act 72") and a Contract (the "Contract") between the State and Joyce A. Parker, dated October 30, 2009, Joyce A. Parker has been appointed as the Emergency Financial Manager (the "Emergency Financial Manager") of the City and charged with the power to take actions with respect to the City, including the power to exercise the authority and responsibilities affecting the financial condition of the City that are prescribed by law to the Mayor, as the chief administrative officer of the City, and the City Council, as the governing body of the City, including but not limited to, the borrowing of money and issuance of obligations of the City, and the approval or disapproval of any appropriation, contract, expenditure, or loan on behalf of the City, as she may deem necessary within her sole discretion to accomplish the purposes of Act 72, subject to the limitations of Act 34 (defined below) and Act 279; and

WHEREAS, pursuant to the City Charter, the City may borrow money for any purpose within the scope of its powers, may issue bonds or other evidences of indebtedness therefor, and may, when permitted by law, pledge the full faith credit and resources of the City for the payment of those bonds or other evidences of indebtedness; and

WHEREAS, the State has enacted Act 34, Public Acts of 2001, as amended ("Act 34") relative, inter alia, to the borrowing of money and the issuance of certain debt and securities, to provide for tax levies, to authorize the issuance of certain debt and securities and to generally govern municipal finance practices in the State; and

WHEREAS, the City is defined to be a "municipality" under Act 34 that has the power to issue a security such as a bond, note, contract, obligation or other similar instrument under the provisions of Act 34; and

WHEREAS, pursuant to Act 34, Act 279 and the City Charter, the City may issue short-term municipal securities payable in the next succeeding fiscal year to pay for operating expenditures of the City, as defined in Act 34, for the current fiscal year (2009/2010) in anticipation of the collection of operating taxes of the City, consisting of ad valorem property taxes levied on all taxable property in the City in the next succeeding fiscal year (2010/2011) (the "Pledged Taxes"); and

WHEREAS, under Act 34, the City may authorize the issuance of a municipal security in anticipation of the collection of Pledged Taxes (the "Series 2010 Tax Notes"), which authorization shall contain an irrevocable provision for the levying of taxes in and for the next succeeding fiscal year of the City (2010/2011) in order to repay the Series 2010 Tax Notes from the receipt of such Pledged Taxes; and

WHEREAS, under Act 34, the issuance of tax notes to pay operating expenditures of the City shall not exceed 50% of the operating tax levy for the current fiscal year or, if the operating tax levy for the next succeeding fiscal year is determined, then 50% of the levy for next succeeding fiscal year (the "Tax Note Test"); and

WHEREAS, the operating tax levy for the next succeeding fiscal year (2010/2011) has not yet been determined; and

WHEREAS, the Emergency Financial Manager desires to order and direct that Series 2010 Tax Notes shall be issued to pay a portion of the operating expenditures of the City for the current fiscal year, to prescribe the form of the Series 2010 Tax Notes to be issued, and to provide for the security for such notes and the rights of the purchasers and owners of such notes and for the enforcement thereof.

NOW, THEREFORE, BE IT ORDERED by the Emergency Financial Manager of the City as follows:

Section 1. Definitions. Except as defined in the above recitals or when otherwise indicated by the context, the following terms when used in this Order shall have the following meanings:

"Authorized Denomination" means $5,000 or any integral multiple thereof, or such other denomination as determined by the Emergency Financial Manager when the Series 2010 Notes are issued.

"Business Day" means any day except Saturday, Sunday or any day on which banking institutions located in the States of New York or Michigan are required or authorized to close or on which the New York Stock Exchange is closed.

"Delivery Date" means the date or dates of delivery of the Series 2010 Tax Notes issued under this Order.

"DTC" means The Depository Trust Company and its successors and assigns.

"Issuance Costs" means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Series 2010 Tax Notes, as the case may be, including without limitation, any underwriter's or purchaser's discount or fee, legal, financial, printing, and other expenses incident thereto, and payment for any credit enhancement.

"Maturity Date" means the date or dates determined in the Sale Order during the 2010/2011 fiscal year of the City.

"Note Depository," if any, means DTC or any other securities depository selected by the City which agrees to follow the procedures required to be followed by such securities depository in connection with the Series 2010 Tax Notes.

"Note Fund" means the "Series 2010 Tax Note Proceeds Fund" established in accordance with Section 8 of this Order, relating to the receipt of the proceeds of sale of the Series 2010 Tax Notes.

"Note Repayment Fund" means the "Series 2010 Note Repayment Fund" established pursuant to Section 8 hereof.

"Operating Year" means the City's fiscal year, the annual period from July 1 through June 30.

"Person" means a natural person, firm, association, corporation, public body or any other legal entity.

"Pledged Taxes" means the Pledged Taxes as defined in the recitals hereto.

"Note Purchase Agreement" means one or more contracts for sale of the Series 2010 Tax Notes to the Underwriters thereof.

"Regular Record Date" means the fifteenth day of the month immediately preceding the applicable Maturity Date.

"Representation Letter", if any, means the blanket Letter of Representations from the City and the Transfer Agent to DTC dated on or before the date of delivery of the Series 2010 Tax Notes.

"Sale Order" means any of one or more orders of the Emergency Financial Manager making determinations and authorizing acts consistent with this Order necessary and appropriate

to complete the sale, execution and delivery of the Series 2010 Tax Notes and/or such other matters as are authorized herein.

"Series 2010 Tax Notes" means the Tax Anticipation Notes, Series 2010 authorized by Section 401 of Act 34 and this Order, consisting of fixed or variable rate short-term municipal securities secured under the provisions of Act 34, this Order, and the Sale Order, which may be issued in one or more separate series with appropriate series designations, all as finally determined in the Sale Order.

"Transfer Agent," if any, means the trust company, bank or financial institution in good standing, within the State of Michigan, qualified and able to accept duties and obligations of transfer agent, paying agent and registrar, as applicable, designated as such by the Emergency Financial Manager in the Sale Order.

"Underwriter" means such underwriter, or if the Series 2010 Notes are privately placed, the note purchaser, as shall be designated in the Sale Order.

Section 2. Necessity; Public Purpose. It is hereby determined to be necessary for the public health, benefit, safety and welfare of the City to issue the Series 2010 Tax Notes to finance and pay for a portion of the operating expenditures of the City in the current fiscal year (2009/2010) of the City in anticipation of the collection of Pledged Taxes, and the issuance of the Series 2010 Tax Notes is hereby approved and authorized.

Section 3. Maximum Amount of Series 2010 Notes Authorized. The City hereby determines that the maximum amount of Series 2010 Tax Notes that the City can issue in compliance with the Tax Note Test is $2,672,491 based on 50% of the operating tax levy for the current fiscal year (2009/2010), which is $5,344,983.

Section 4. Issuance of Series 2010 Tax Notes. To pay for part of the operating expenditures of the City for the current fiscal year, pursuant to Act 34, the Charter and applicable law, the City shall borrow the sum, including any net original issue premium, of not to exceed $2,600,000 in original principal amount, as finally determined in the Sale Order, and issue the Series 2010 Tax Notes therefor. Notwithstanding the foregoing, if the City provides a certificate containing updated information prior to the delivery of the Series 2010 Tax Notes indicating that the maximum amount of Series 2010 Tax Notes may be higher than the amounts set forth in Section 3 hereof and remain in compliance with the requirements of the Tax Note Test, then the maximum amount of the Series 2010 Tax Notes authorized in this Section 4 (including any original issue premium) shall be increased to the maximum amount allowable pursuant to the Tax Note Test, subject to approval of such increased amount by the Michigan Department of Treasury.

The proceeds of the Series 2010 Tax Notes shall be used to pay for operating expenditures of the City, as defined in Act 34, and to pay Issuance Costs, in such amounts in each case to be finally determined in the Sale Order. The Series 2010 Tax Notes shall be issuable as one or more separate series of notes, may mature at separate times not later than the Maturity Date and may bear such further distinctive designations of the City as determined in the Sale Order.

Section 5. Series 2010 Tax Notes Details; Issuance in Series; Registration and Redemption of Notes. The Series 2010 Tax Notes shall be designated TAX ANTICIPATION NOTES, SERIES 2010 and shall be payable out of the Pledged Taxes in accordance with Act 34 as set forth more fully in Section 6 hereof. The Series 2010 Tax Notes shall be issued as fixed rate notes or as variable rate notes, on a tax exempt or taxable basis and in such amounts as determined in the Sale Order. The Series 2010 Tax Notes shall be numbered in some convenient manner and shall mature on the Maturity Date as shall be determined in the Sale Order.

The Series 2010 Tax Notes shall bear interest at a rate or rates determined in the Sale Order (the "Base Rates"), but within the limitations of Act 34. The Series 2010 Tax Notes may bear interest at a default rate in excess of the Base Rates and the Base Rates may be subject to increase if the Series 2010 Tax Notes are deemed taxable or if there is a change in law which reduces the yield on the Series 2010 Tax Notes to the registered owners thereof, all subject to the terms and conditions specified in the Sale Order and in the final form of the Series 2010 Tax Notes. In the event that due to the foregoing interest rate adjustments the effective interest rate on the Series 2010 Tax Notes exceeds the maximum permissible rate thereof, the City is authorized to adjust subsequent interest payments to the registered owners of the Series 2010 Tax Notes as determined and confirmed in the Sale Order and the final form of the Series 2010 Tax Notes. The Series 2010 Tax Notes may be sold at an aggregate net discount (distinct from any compensation to be paid to the Underwriter in the form of a discount or any other Issuance Costs payable from the Series 2010 Tax Notes) of not greater than 3%, all as shall be determined in the Sale Order, provided that the true interest cost (TIC) of the Series 2010 Tax Notes based upon the initial Base Rates shall not be greater than the maximum rate permitted by law. Except as hereinafter provided, interest on the Series 2010 Tax Notes shall be payable at the applicable Maturity Date to the registered owner of record as of the applicable Regular Record Date. Interest on the Series 2010 Tax Notes shall be calculated on such basis as is set forth in the Sale Order. The principal and interest on the Series 2010 Tax Notes sold in a private placement shall be payable to the note purchaser at such place as shall be designated in the Sale Order. The principal and interest of the Series 2010 Tax Notes sold in a public sale to the Underwriter shall be payable at the Transfer Agent as principal paying agent or at such other co-paying agents as may be designated in the Sale Order, upon presentation and surrender of the appropriate Series 2010 Tax Notes.

The Series 2010 Tax Notes shall be dated such date or dates as determined in the Sale Order and will be issued in Authorized Denominations. Except for Series 2010 Tax Notes sold through a private placement to a note purchaser, the transfers of which shall be governed by the terms of the Note Purchase Agreement, the registered owner of any Series 2010 Tax Note may exchange such Series 2010 Tax Note for other Series 2010 Tax Notes, of the same series and like maturity in Authorized Denominations by surrendering the Series 2010 Notes to be exchanged at the designated office of the Transfer Agent, together with an assignment duly executed by the registered owner thereof or his attorney or legal representative in such form as shall be satisfactory to the Transfer Agent.

Except as hereinbelow provided, all of the Series 2010 Tax Notes will be issued in a book-entry system of registration, and actual purchasers of the Series 2010 Tax Notes will not

receive certificated Series 2010 Tax Notes; provided, however, that the City may determine not to continue the system of book-entry registration, in which event fully registered note certificates, subject to the transfer and exchange requirements of this Order, shall be issued to the registered owners of the Series 2010 Tax Notes. It is intended that the Series 2010 Tax Notes be registered so as to participate in a securities depository system (the "DTC System") with DTC, as set forth herein. The Series 2010 Tax Notes shall be initially issued in the form of a separate single fully registered note in the amount of each separate stated maturity thereof, if any. Upon initial issuance, the ownership of each such Series 2010 Tax Note shall be registered in the name of Cede & Co., as the nominee of DTC, and except as provided below with respect to termination of the book-entry only system, all of the outstanding Series 2010 Tax Notes shall be registered in the name of Cede & Co., as the nominee of DTC. The City is authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC system, including the Representation Letter. At the discretion of the City as confirmed in the Sale Order, if the Series 2010 Tax Notes are privately placed with a note purchaser, the note purchaser shall be the registered owner of the Series 2010 Tax Notes and this paragraph and the following two paragraphs and the provisions of this Order regarding the DTC System of registration shall be disregarded and of no force or effect.

With respect to Series 2010 Tax Notes registered in the name of Cede & Co., as nominee of DTC, the City and the Transfer Agent shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Series 2010 Tax Notes from time to time as securities depository (a "Depository Participant") or to any Person on behalf of whom such a Depository Participant holds an interest in the Series 2010 Tax Notes (an "Indirect Participant"). Without limiting the immediately preceding sentence, the City and the Transfer Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., any Depository Participant or any Indirect Participant with respect to any ownership interest in the Series 2010 Tax Notes, (ii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a registered owner of a Series 2010 Tax Note, of any notice with respect to the Series 2010 Tax Notes, or (iii) the payment to any Depository Participant or any Indirect Participant or any other Person, other than a registered owner of a Series 2010 Tax Note, of any amount with respect to principal of or interest on the Series 2010 Tax Notes. While in the DTC System, no Person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Series 2010 Tax Note certificate evidencing the obligation of the City to make payments of principal and interest pursuant to this Order. Upon delivery by DTC to the Transfer Agent 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 Order with respect to interest checks or drafts being mailed to the registered owner, the word "Cede & Co." in this Order shall refer to such new nominee of DTC; and upon receipt of such a notice the Transfer Agent shall promptly deliver a copy of the same to each paying agent, if any.

In the event that (a) the City determines that DTC is incapable of discharging the responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason or (c) DTC or the City determines that it is in the best interest of the beneficial owners of any of the Series 2010 Tax Notes that they be able to obtain certificated notes, the City shall notify DTC and DTC Participants of the availability through

DTC of note certificates and the Series 2010 Tax Notes shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that such series of the Series 2010 Tax Notes shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the City, or such depository's agent or designee, and if the City does not select such alternate securities depository system then such series of the Series 2010 Tax Notes may be registered in whatever name or names the registered owners of such series of the Series 2010 Tax Notes transferring or exchanging such series of the Series 2010 Tax Notes shall designate, in accordance with the provisions hereof.

Notwithstanding any other provisions of this Order to the contrary, so long as any Series 2010 Tax Note is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Series 2010 Tax Note and all notices with respect to such Series 2010 Tax Note shall be made and given, respectively, in the manner provided in the Representation Letter.

The Series 2010 Tax Notes may or may not be subject to redemption prior to maturity as determined in the Sale Order.

Section 6. Payment of Series 2010 Tax Notes. The full faith and credit of the City is hereby irrevocably pledged for the payment of principal of and interest on the Series 2010 Tax Notes and in case of insufficiency the Pledged Taxes for the payment thereof, the City hereby irrevocably pledges to levy ad valorem taxes in the 2010/2011 fiscal year of the City on all taxable property in the City, within the applicable constitutional, statutory and charter limitations, for the purpose of paying for a portion of the operating expenditures of the City and for the repayment of the Series 2010 Tax Notes from the receipt thereof.

The City hereby covenants that to secure payment of the Series 2010 Tax Notes, from the first collections of Pledged Taxes, there shall be set aside in the Note Repayment Fund established under Section 8 hereof, to be used exclusively for the payment of principal and interest on the Series 2010 Tax Notes, a portion of each dollar collected that is not less than 125% of the percentage that the principal amount of the Series 2010 Tax Notes bears to the amount of the Pledged Taxes from which such dollar is collected until the amount set aside in the Pledged Tax Account is sufficient to pay in full the principal of and interest of the Series 2010 Tax Notes on the applicable Maturity Date. The set aside requirements of the preceding sentence (the "Set Aside Requirements") shall apply to each installment of Pledged Taxes collected by the City.

Subject to Section 8 hereof, moneys on deposit in the Note Repayment Fund may be used only to pay the outstanding principal of and interest on the Series 2010 Tax Notes. If the City determines that issuing the Series 2010 Tax Notes will result in a deficiency in the funds available to pay the necessary operating expenditures of the City during the 2010/2011 fiscal year, the City shall levy additional taxes in the future within applicable constitutional, charter, and statutory limits to prevent a continuation of the deficiency from year to year.

After the payment in full of all principal of and interest on the Series 2010 Tax Notes at the applicable Maturity Date or thereafter, and if the City has no further payment obligations to the holders of such Series 2010 Tax Notes and the City has paid all amounts owed to any credit enhancement provider which has paid principal of and interest on the Series 2010 Tax Notes, the balance on deposit in the Note Repayment Fund may be disbursed to the City for use as provided by Act 34 upon the filing with the Transfer Agent of a certificate of the City stating that no further obligations are due from the City to holders of the Series 2010 Tax Notes or to any credit enhancement provider with respect thereto.

The City hereby reserves the right to issue additional notes payable from the Pledged Taxes, within the limitations provided by applicable law, except as otherwise determined in the Sale Order.

Section 7. Credit Enhancement and Other Agreements. The City is authorized to negotiate, obtain and enter into one or more agreements with respect to a letter of credit, policy of bond insurance, surety bond, guarantee or similar instrument issued by a financial, insurance or other institution, and which provides security in respect of all or part of the Series 2010 Tax Notes, provided that the City determines that such credit enhancement is in the best interests of the City. The City is also authorized to obtain and enter into one or more forward commitments to provide a letter of credit, bond insurance, a surety bond, guarantee or similar instrument issued by a financial, insurance or other institution, and which provides security in respect of any amount of Series 2010 Tax Notes which may be issued subsequent to the initial issue of Series 2010 Tax Notes, as the City shall determine, provided that the City determines that such forward commitment for such credit enhancement is in the best interests of the City. The City is hereby authorized to pay for the cost of such forward commitment from the proceeds of the Series 2010 Tax Notes or any other funds of the City legally available therefor.

In connection with the execution of any of the agreements authorized by this Section 7, the City is authorized to include in the Sale Order, such covenants and agreements of the City as shall be necessary or appropriate, and, if necessary or appropriate, to appoint a trustee to further secure payment of the Series 2010 Tax Notes and to prescribe the powers and duties of such trustee in the Sale Order.

Section 8. Funds and Accounts: Flow of Funds. There is hereby established pursuant to this Order a trust fund to be held by the City and designated the "Series 2010 Note Proceeds Fund" for receipt of the proceeds of the Series 2010 Tax Notes, except for accrued interest, if any.

There is hereby established pursuant to this Order a special trust fund to be held by the City in a bank account separate from any other money of the City, which bank account may be established with and held by the purchaser of the Series 2010 Tax Notes, as determined and specified in the Sale Order, and designated the "Series 2010 Note Repayment Fund" (the "Note Repayment Fund"). Moneys in the Note Repayment Fund shall not be commingled with any other moneys and shall be used only to pay the Series 2010 Tax Notes. There shall be deposited in the Note Repayment Fund the Pledged Taxes collected by the City for repayment of the Series 2010 Tax Notes in accordance with the Set Aside Requirements, Act 34 and this Order,

pursuant to Section 6 hereof. Until the Series 2010 Tax Notes are paid in full and any obligations to a provider of credit enhancement with respect thereto have been satisfied, money in the Note Repayment Fund shall be used for no other purpose other than to pay Series 2010 Tax Notes issued under this Order.

Anything in this Section 8 to the contrary notwithstanding, in the event the City obtains a direct pay letter of credit to pay principal of and interest on the Series 2010 Tax Notes when due, then within the Note Repayment Fund, there shall be established a Payment and Reimbursement Subaccount and a Credit Facility Drawing Subaccount. All Pledged Taxes set aside in accordance with Act 34 and/or this Order shall be deposited in the Payment and Reimbursement Subaccount of the Note Repayment Fund. Amounts drawn on a letter of credit shall be deposited in the Credit Facility Drawing Subaccount and shall be used to pay principal of and interest on the Series 2010 Tax Notes when due. Moneys in a Payment and Reimbursement Subaccount shall first be used to the extent necessary to pay, when due, principal of and interest on the Series 2010 Tax Notes. To the extent that moneys in a Payment and Reimbursement Subaccount are not needed for such purpose as a result of payment of such principal and interest by a draw on a letter of credit, such moneys shall be used to reimburse the applicable letter of credit provider.

Section 9. Series 2010 Note Proceeds. From the proceeds of the sale of the Series 2010 Tax Notes there shall be immediately deposited in the Note Repayment Fund an amount equal to the accrued interest, if any, received on the delivery of the Series 2010 Tax Notes.

The balance of the proceeds of the sale of the Series 2010 Tax Notes shall be deposited in the Series 2010 Note Proceeds Fund and used to pay for Issuance Costs and operating expenditures of the City for the current fiscal year (2009/2010).

Section 10. Series 2010 Note Form. The Series 2010 Tax Notes shall be in substantially the form set forth in Exhibit A attached hereto, with such changes and additions (including without limitation, to reflect any applicable credit enhancement or requirements of the purchasers of the Series 2010 Tax Notes) as shall be established pursuant to the Sale Order within the parameters of this Order.

Section 11. Covenants Regarding Exclusion of Interest on the Series 2010 Tax Notes for Federal Tax Purposes. The City hereby covenants and represents with the registered owners of the Series 2010 Tax Notes that so long as any of the Series 2010 Tax Notes remain outstanding and unpaid as to either principal or interest, the City shall, to the extent permitted by law, take all actions within its control to maintain, and will refrain from taking any action which would impair the exclusion of the interest on the Series 2010 Tax Notes issued on a tax exempt basis, from gross income for federal income tax purposes under the Code, including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Series 2010 Tax Notes proceeds and moneys deemed to be proceeds of Series 2010 Tax Notes issued on a tax exempt basis, and to prevent the Series 2010 Tax Notes issued on a tax exempt basis, from being or becoming "private activity bonds" as that term is used in Section 141 of the Code or an "arbitrage bond," as that term used in Section 148 of the Code.

Section 12. Continuing Disclosure. Unless otherwise set forth in the Sale Order because of an exemption from Rule 15c2-12 (the "Rule"), the City hereby agrees to abide by the provisions of the Rule so long as any Series 2010 Tax Notes are outstanding. The City is hereby authorized to execute one or more continuing disclosure undertakings of the City which comply with the provisions of the Rule.

Section 13. Defeasance. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the applicable series of the Series 2010 Tax Notes shall be deposited in trust, this Order shall be defeased in respect of such Series 2010 Tax Notes and the owners of such Series 2010 Tax Notes shall have no further rights under this Order except to receive payment of the principal of, premium, if any, and interest on such Series 2010 Tax Notes from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange notes as provided herein.

Section 14. Sale of Series 2010 Tax Notes.

(a) The Series 2010 Tax Notes may be sold at a negotiated sale to the Underwriter named in the Note Purchase Agreement in a form on file with the City, with such changes thereto that are in the best interests of the City, within the parameters established herein. Such changes within the parameters of this Order shall be conclusively established by the execution and delivery of the applicable Note Purchase Agreement to the Underwriter. The City is authorized to accept an offer from the Underwriter to purchase the Series 2010 Tax Notes wherein the aggregate compensation to be paid to the Underwriter thereof shall not be more than 1% of the original principal amount of the applicable Series 2010 Tax Notes, on terms and conditions provided in the Note Purchase Agreement approved by the City. The City is authorized to negotiate additional terms and covenants with the Underwriter as may be necessary to assure repayment of the debt service on the Series 2010 Tax Notes, which additional terms and covenants shall be incorporated in the Note Purchase Agreement, or the final form of the Series 2010 Tax Notes and confirmed in the Sale Order.

(b) The sale of the Series 2010 Tax Notes to the Underwriter pursuant to a negotiated sale is hereby approved. The reasons for choosing a negotiated sale instead of a competitive sale include the belief of the Emergency Financial Manager, based upon the recommendation of the City's Financial Advisors, that a negotiated sale will allow the Series 2010 Tax Notes to be offered to investors in the most efficient manner possible while also allowing sufficient flexibility to adjust to market structuring and timing demands in order to result in the lowest possible borrowing costs to the City.

Section 15. Delegation of Authority to and Authorization of Actions.

(a) The Emergency Financial Manager shall determine, in addition to any determinations authorized elsewhere in this Order, on the basis of evaluation of the maximum amount of Series 2010 Tax Notes which can be sold, given anticipated interest rates or for any

other reasons, whether to issue the full authorized amount of the Series 2010 Tax Notes as specified in Section 3 of this Order and whether to issue the Series 2010 Tax Notes as two or more series on a tax exempt and/or taxable basis per series. If the Emergency Financial Manager determines to offer the Series 2010 Tax Notes as more than one series, then each separate series shall conform to the requirements established in this Order, shall bear a distinctive designation, consistent with the definition of the term "Series 2010 Tax Notes" herein. The Emergency Financial Manager may also cause the preparation of and approve the form and distribution of one or more preliminary official statements (collectively, the "Preliminary Official Statement") and final official statements (collectively, the "Official Statement") or other offering materials to be used in conjunction with the sale or offering of the Series 2010 Tax Notes and deem any Preliminary Official Statement "final" for purposes of the Rule. The Emergency Financial Manager shall also determine and establish, in accordance with this Order, the Maturity Date or dates for the Series 2010 Tax Notes.

(b) The Emergency Financial Manager is authorized to file applications and to pay the related fees, if any, to the Michigan Department of Treasury at her discretion under Act 34 for one or more Orders of Approval to issue all or a portion of the Series 2010 Tax Notes, and such waivers or other Treasury approvals as necessary to implement the sale, delivery and security for the Series 2010 Tax Notes as authorized herein, and as required by the Michigan Department of Treasury or Act 34.

(c) All determinations and decisions with respect to the issuance and sale of the Series 2010 Tax Notes as permitted or required by this Order shall be ratified, confirmed and approved in the Sale Order.

Section 16. Transfer Agent. The initial note registrar, paying agent, and Transfer Agent for the Series 2010 Tax Notes shall be determined by the Emergency Financial Manager in the Sale Order.

Section 17. Execution of Series 2010 Tax Notes. The Mayor and the City Clerk are hereby authorized and directed to execute the Series 2010 Tax Notes by manual or facsimile signature for and on behalf of the City and in its name, to impress or imprint thereon or affix thereto the official seal of the City or a facsimile thereof and to deliver the Series 2010 Tax Notes to the Underwriter upon receiving the purchase price therefor in lawful money of the United States.

Section 18. Official Statement. Circulation of the Preliminary Official Statement, if any, and the Official Statement, if any, by the Underwriter shall be approved by the City, which approval shall be ratified in the Sale Order. The Mayor is hereby authorized to execute the Official Statement with respect to the Series 2010 Tax Notes in substantially the form of the Preliminary Official Statement, if any, or in such form and with such changes as the City may authorize and containing the business terms set forth in the Sale Order. Anything in this Section 18 to the contrary notwithstanding, in the event that the Series 2010 Tax Notes are privately placed with a note purchaser, at the discretion of the note purchaser, and subject to receipt by the City of an appropriate investment certificate from such note purchaser, the Series 2010 Tax Notes may be sold without a Preliminary Official Statement or final Official Statement.

Section 19. Ratification. All determinations and decisions of the City with respect to the issuance and sale of the Series 2010 Tax Notes as permitted or required by this Order or by law are hereby ratified, confirmed and approved.

Section 20. Additional Authorization. The Mayor, City Clerk, other officials of the City, and their deputies and staff, or any of them, are hereby authorized and ordered to execute and deliver such certificates, documents, instruments, opinions and other papers as may be deemed necessary or appropriate to complete the sale, execution and delivery of the Series 2010 Tax Notes as determined by the Emergency Financial Manager.

Section 21. Order a Contract. The provisions of this Order and the provisions of any Sale Order issued pursuant to this Order shall constitute a contract between the City and any registered owner of the Series 2010 Tax Notes.

Section 22. Appointment of Note Counsel. The appointment of the law firm of Miller, Canfield, Paddock and Stone, P.L.C., of Detroit, Michigan as Note Counsel for the Series 2010 Tax Notes is hereby ratified and confirmed, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C., in unrelated matters of other parties and potential parties to the issuance of the Series 2010 Tax Notes. The fees and expenses of Miller, Canfield, Paddock and Stone, P.L.C., shall be payable as part of the Issuance Costs from the proceeds of the Series 2010 Tax Notes or other available funds of the City in accordance with the letter of such firm on file.

Section 23. Repeal; Savings Clause. All other ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Order are, to the extent of such conflict, hereby repealed.

Section 24. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Order shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Order. The paragraph headings in this Order are furnished for convenience of reference only and shall not be considered to be part of this Order.

Section 25. Effective Date. This Order shall be effective immediately upon its execution by the Emergency Financial Manager.

SO ORDERED this 11th day of January, 2010.

Joyce A. Parker
Emergency Financial Manager

EXHIBIT A

TAX NOTE FORM

[NOTICE: Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City of Ecorse or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as 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.]

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WAYNE

CITY OF ECORSE

TAX ANTICIPATION NOTE, SERIES 2010

Interest Rate Per Annum	Maturity Date	Original Issue Date	CUSIP

REGISTERED OWNER: [Cede & Co.]

PRINCIPAL AMOUNT: $_____

The City of Ecorse, County of Wayne, State of Michigan (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner stated above, on the Maturity Date stated above, the Principal Amount stated above, together with interest thereon from the Original Issue Date stated above until the Maturity Date stated above at the Interest Rate Per Annum stated above, calculated on the basis of a 360-day year and actual days elapsed, in lawful money of the United States of America, upon presentation and surrender of this Note, at [the designated office of _____, Detroit, Michigan, as Transfer Agent.]

This Note is issued pursuant to and in accordance with the Constitution of the State of Michigan of 1963, statutes of the State of Michigan (the "State") and the Charter of the City of Ecorse pursuant to and in accordance with an order executed by the Emergency Financial

Manager of the City on January __, 2010 (the "Note Order"), for the purpose of providing funds to pay for a portion of the operating expenditures of the City for the City's fiscal year beginning July 1, 2009.

This Note is issued in anticipation of the receipt by the City of certain ad valorem property taxes levied on all taxable property in the City in the next succeeding fiscal year 2010/2011 of the City (the "Pledged Taxes"), and collected in the next succeeding fiscal year of the City, which Pledged Taxes shall be set aside in a Note Repayment Fund in accordance with the Note Order for the prompt payment of the principal of and the interest on this Note when due. The City has irrevocably pledged and does hereby irrevocably pledge to levy the Pledged Taxes for the purpose of paying for operating expenditures of the City and for the repayment of the notes of this series (the "Notes") from the receipt thereof. Additionally, the City has irrevocably pledged, and does hereby irrevocably pledge to set aside from the collection of the Pledged Taxes a portion of each dollar of Pledged Taxes collected by the City in its 2010/2011 fiscal year that is not less than 125% of the percentage that the principal amount of all notes issued under the Note Order and secured by Pledged Taxes bear to the amount of Pledged Taxes from which such dollar is collected until the amount set aside in the Note Repayment Fund for all Notes is sufficient to pay in full the principal of and interest on the Notes.

The City has reserved the right to issue additional notes secured by the Pledged Taxes within the limitations of applicable law.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and to be performed, precedent to and in the issuance of this Note and the Notes of this series, do exist, have happened and have been performed in due time, form and manner as required by the Note Order and the Constitution and statutes of the State of Michigan, and that the total indebtedness of the City, including this Note and the series of Notes of which this is one, does not exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the City, by authority of its Emergency Financial Manager, has caused this Note to be signed for and on its behalf and in its name by manual or facsimile signatures of the Mayor and the City Clerk of the City, and the official seal of the City or a facsimile thereof to be impressed or imprinted thereon, all as of the ___ day of _____, 2010.

CITY OF ECORSE

By:_____
Mayor

By: _____
City Clerk

[SEAL]

[CERTIFICATE OF AUTHENTICATION]

This Note is one of the Notes described in the within-mentioned Note Order.

_____,
Transfer Agent

By: _____

Date of Authentication: _____, 2010

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Please print or typewrite name and address of transferee) the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note 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 Note 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 Note.

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program. The Transfer Agent will not effect transfer of this Note unless the information concerning the transferee requested below is provided.

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

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

Name and Address: _____

_____

_____

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

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